

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF OHIO  
3                   EASTERN DIVISION

4  
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6           \*\*\*\*\*

7   IN RE:

8   NATIONAL PRESCRIPTION OPIATE       MDL NO. 2804  
LITIGATION

9

          This document relates to:           Case No. 17-MD-2804

10

          All cases                           Hon. Dan A. Polster

11

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12

13                   HIGHLY CONFIDENTIAL - SUBJECT TO  
14                   FURTHER CONFIDENTIALITY REVIEW

15                   VIDEOTAPED DEPOSITION OF:

16                   STEVE REARDON

17                   ALOFT BOSTON SEAPORT

18                   401-403 D Street

19                   Boston, Massachusetts

20                   November 30, 2018       9:03 a.m.

21

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1 THE VIDEOGRAPHER: We are now on  
2 the record. My name is Robert Martignetti. I'm a  
3 videographer for Golkow Litigation Services.  
4 Today's date is November 30, 2018 and the time is  
5 9:03 a.m. This video deposition is being held in  
6 Boston, Massachusetts. In re: National  
7 Prescription Opiate Litigation. The deponent is  
8 Steve Reardon. Counsel will be noted on the  
9 stenographic record. The court reporter is  
10 Darlene Coppola and will now swear in the witness.

11

12 STEVE REARDON,  
13 witness, having first been satisfactorily  
14 identified and duly sworn, testifies and states as  
15 follows:

16

17 MR. PAPANTONIO: First of all, let's  
18 begin with who is on the telephone, just so we can  
19 have that on the record one more time. Who's on  
20 the phone?

21 MS. QUEZON: Amy Quezon from McHugh  
22 Fuller on behalf of the plaintiff.

23 MR. PAPANTONIO: Who else is on the  
24 phone?



1 MS. RURANGIRWA: Linda Rurangirwa  
2 from Collinson Daehnke on behalf of G&L Pharmacy.

3 MR. PAPANTONIO: Who else?

4 MS. BURKE: Maura Burke for Validus.

5 MR. PAPANTONIO: Okay. Go ahead.

6 VOICE: AJ (Inaudible), McHugh Fuller  
7 for the plaintiff.

8 MR. PAPANTONIO: Okay. Anybody  
9 else?

10 MS. SCHAEFER: Tina Schaefer from  
11 Hughes Hubbard & Reed for UCB, Inc.

12 MR. PAPANTONIO: All right. Anybody  
13 else?

14 All right. Let's go around the  
15 room. I'm Mike Papantonio for the plaintiff.  
16 Mark, why don't you pick up?

17 MR. GRAY: Mark Gray for the  
18 plaintiff.

19 MR. T. MERRIGAN: Tucker Merrigan  
20 for the plaintiff.

21 MR. P. MERRIGAN: Peter Merrigan for  
22 the plaintiff.

23 MR. FULLER: Mike Fuller for the  
24 plaintiff.

1 MS. VICARI: Angela Vicari from  
2 Arnold & Porter for defendants, Endo  
3 Pharmaceuticals, Inc.

4 MR. BORSAY: Casteel Borsay, Jones  
5 Day on behalf of Walmart.

6 MS. MONAGHAN: Meghan Monaghan on  
7 behalf of McKesson.

8 MR. REILLY: Tom Reilly from Reed  
9 Smith on behalf of AmerisourceBergen Corporation.

10 MS. RICHARD: Nicole Richard.

11 MR. MONAHAN: Matthew Monahan,  
12 Williams & Connolly, on behalf Cardinal Health.

13 MR. PYSER: Steven Pyser of Williams  
14 & Connolly on behalf of Cardinal Health, Inc. and  
15 the witness.

16

17 DIRECT EXAMINATION

18 BY MR. PAPANTONIO:

19 Q. Sir, state your name, please.

20 A. Steve Reardon.

21 Q. Please put up Document No. 4253.

22 MR. PAPANTONIO: Let's give the  
23 witness a copy of 4253, please.

24 BY MR. PAPANTONIO:

1 Q. Sir, what is the Hot Topics that the  
2 company -- Cardinal ran a program called Hot  
3 Topics. Tell the jury what Hot Topics is.

4 A. I just need a minute to look at it.

5 Q. Sure.

6 A. (Witness reviews document.)

7 Q. As you're looking though, do you know what  
8 Hot Topics is?

9 A. I don't recall this document.

10 Q. But do you know what Hot Topics is?

11 A. I do not.

12 Q. The program?

13 A. I do not.

14 Q. Do you know what the program Daily Dose  
15 is?

16 A. I do not.

17 Q. The Daily Dose?

18 A. I do not.

19 Q. All right. And you've never seen this --  
20 let's go through this -- let's go through this  
21 document.

22 This is a 5/15/2014 document. Who is  
23 Christopher Forst?

24 A. Christopher was part of Michael Mone's

1 anti-diversion team.

2 Q. And the jury's already heard what  
3 anti-diversion means, but you had a team that was  
4 put together to stop diversion of narcotic drugs,  
5 correct?

6 A. Correct, but this -- this is after my time  
7 in the anti-diversion role.

8 Q. Who is -- who is Debbie Mitchell?

9 A. I'm not sure.

10 Q. Had you ever heard of anything called the  
11 Oxy Express, sir?

12 A. No, sir.

13 Q. Is that the first time that you have  
14 personally heard about it?

15 A. Yes.

16 Q. And do you see where this document is  
17 actually sent to the folks at Cardinal?

18 A. I recognize certain names.

19 Q. Well, you see where it's from Debbie  
20 Mitchell. And then it has names "sent to," then  
21 it has a fairly extensive list of names.

22 How many of those names do you recognize?

23 A. (Witness reviews document.)

24 Twenty-nine.

1 Q. So you recognize 29 of the names on this  
2 document. The 29 you recognize were Cardinal  
3 employees; is that correct?

4 A. Correct.

5 Q. And then if you look down to where it says  
6 "Daily prescription drug media wrap up" -- and  
7 what I'm -- what you've told the jury is that you  
8 have never even heard of what Hot Topics is?

9 A. I don't recall.

10 MR. PYSER: Objection. Asked and  
11 answered.

12 BY MR. PAPANTONIO:

13 Q. You weren't familiar with a program called  
14 Hot Topics at Cardinal, correct?

15 MR. PYSER: Asked and answered.

16 A. Correct.

17 BY MR. PAPANTONIO:

18 Q. You were not familiar with the program  
19 called Hot Topics?

20 MR. PYSER: Objection. Objection to  
21 form. You can answer the question.

22 A. Correct.

23 BY MR. PAPANTONIO:

24 Q. And you were not familiar with the program

1       called the Daily Dose that the company had in  
2       place, correct?

3                       MR. PYSER: Object to form. You can  
4       answer. When I make an objection, you can go  
5       ahead and answer the question.

6       A.     Correct.

7       BY MR. PAPANTONIO:

8       Q.     All right. Let's read this then. It  
9       says -- and I think you told us you did not ever  
10      know what the Oxy Express was; is that true?

11                   MR. PYSER: Object to form.

12      A.     Correct. I don't recall.

13      BY MR. PAPANTONIO:

14      Q.     It says "Wow, uttered senator Dianne  
15      Feinstein during the second senate hearing on  
16      America's opioid epidemic Wednesday."

17                   Now, first of all, what did you -- were  
18      you ever asked to testify at the hearings that  
19      were put in place on Cardinal's conduct in front  
20      of the U.S. Senate?

21      A.     No.

22      Q.     Were you ever involved in any hearings in  
23      front of Congress dealing with Cardinal's conduct  
24      in the opioid crisis?

1 A. No.

2 Q. It says "Given the upsetting statistics  
3 that five of the U.S.'s leading drug policy  
4 experts were revealing on the Senate floor, her  
5 shock was understandable. While only accounting  
6 for about 5 percent of the population, the U.S.  
7 now consumes 99 percent of the world's Vicodin and  
8 84 percent of its OxyContin."

9 Prior to you just seeing that number, were  
10 you familiar with the fact that America was  
11 consuming 84 percent of the OxyContin that was  
12 produced in this country?

13 MR. PYSER: Object to form.

14 A. I was not.

15 BY MR. PAPANTONIO:

16 Q. Had you -- did you have a number that you  
17 believed that you understood the amount of  
18 OxyContin that was being produced -- that was  
19 being consumed by Americans -- did you have a  
20 number in mind prior to coming here today?

21 A. No.

22 Q. According to the Centers for Disease  
23 Control, 12 million people reporting prescription  
24 painkillers nonmedically in 2010, meaning without

1 a prescription for -- only for the feeling. The  
2 most recent year for which there is data -- and  
3 then what I want to ask you is you were there in  
4 2010, right? You were at Cardinal in 2010,  
5 true?

6 MR. PYSER: Object to form.

7 A. Yes.

8 BY MR. PAPANTONIO:

9 Q. What were you doing in 2010?

10 A. I was the vice president of quality and  
11 regulatory affairs overseeing DC operations.

12 Q. And you were overseeing a man by the name  
13 of Eric Brantley, weren't you?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. He worked under you, didn't he, Eric  
17 Brantley?

18 A. Correct.

19 Q. How many people were in your department in  
20 2010 that were actually reviewing -- doing the  
21 same type of reviews that Eric Brantley did?

22 MR. PYSER: Object to form.

23 Misstates evidence. Vague as to time.

24 A. In 2010. I believe there were three, to



1 the best of my recollection.

2 BY MR. PAPANTONIO:

3 Q. What were those three people doing? They  
4 were reviewing sales orders; is that correct?

5 A. They were reviewing our ingredient limit  
6 reports and identifying any red flags or potential  
7 customers that they should look at and visit and  
8 investigate.

9 Q. Called suspicious orders, correct?

10 A. If they were on the report, it would be a  
11 suspicious order.

12 Q. So it was you and Brantley, and who else  
13 were reviewing suspicious orders?

14 MR. PYSER: Object to form. Vague  
15 as to time.

16 A. We also -- I believe at the time we had  
17 Tim Dunham and Nick Rausch.

18 BY MR. PAPANTONIO:

19 Q. All right. And then do you -- were you  
20 familiar with -- anybody ever told you that -- in  
21 2010 that the company had more than 30,000  
22 employees? Did you know how many employees were  
23 working with Cardinal?

24 A. That sounds about right on a global basis.

1 Q. And you had three people out of 30,000  
2 that were actually reviewing these types of orders  
3 for narcotics?

4 MR. PYSER: Object to form. Vague  
5 as to time.

6 A. At corporate.

7 BY MR. PAPANTONIO:

8 Q. At corporate. That's what I'm wondering.  
9 At corporate you had --

10 A. Just at corporate.

11 Q. You had three people?

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. Correct?

15 A. Correct.

16 Q. And those three people determined how many  
17 narcotics would be sent out throughout the United  
18 States from Cardinal. They could determine  
19 whether to ship or whether not to ship, correct?

20 MR. PYSER: Object to form.  
21 Misstates evidence.

22 A. The ingredient limit report was a  
23 DEA-approved report that accumulated sales through  
24 the month and identified any customers that

1 exceeded the threshold for a family of drugs.

2 Those customers showed up on the report. They --

3 the reports were submitted to DEA.

4 Now, in conjunction with that, we had a

5 process in our distribution centers where our

6 employees that filled orders in the cage involved,

7 based on their knowledge, had the ability to stop

8 an order, review and investigate, and make a

9 determination as to whether or not to ship.

10 BY MR. PAPANTONIO:

11 Q. That's -- okay. That's what I'm

12 wondering, Mr. Reardon.

13 An order would come in. And if it was

14 deemed suspicious, one of those three people could

15 stop the order, correct, from being shipped?

16 MR. PYSER: Object to form. Vague

17 as to time.

18 A. No.

19 BY MR. PAPANTONIO:

20 Q. What could they do?

21 A. They could identify what would be

22 considered a red flag that would warrant further

23 investigation of the customer. They could

24 investigate that customer, visit that customer,

1 and then make a determination as to whether or not  
2 we should continue business with them.

3 Q. Well, you had -- there's a system that's  
4 called suspicious order monitoring system,  
5 correct?

6 A. Correct.

7 Q. Did your company have a suspicious order  
8 monitoring system?

9 A. We did. We had one that was approved by  
10 the DEA.

11 Q. And you considered it a workable -- let me  
12 write that down.

13 You considered it a workable suspicious  
14 order monitoring system. Is that your  
15 testimony?

16 A. Yes. The regulation said design and  
17 operate a suspicious order monitoring system to  
18 identify suspicious orders.

19 Q. And your testimony is that you did that,  
20 correct?

21 A. Correct.

22 MR. PAPANTONIO: Show the witness,  
23 please, document 4631.

24 MR. PYSER: Do you have a copy for,

1 counsel?

2 MR. PAPANTONIO: Yes. Another copy,  
3 please.

4 MS. MOORE: It's Reardon 2.

5

6 (Exhibit No. 1 marked for  
7 identification.)

8

9 (Exhibit No. 2 marked for  
10 identification.)

11

12 BY MR. PAPANTONIO:

13 Q. Sir, this has got your name at the top,  
14 Steve Reardon, correct?

15 A. Correct.

16 Q. And the date on it is 2005; is that true?

17 A. Correct.

18 Q. So it says "Cassie and Steve, a couple of  
19 particular items of interest came out of the  
20 quarterly meeting. We, the wholesales, were asked  
21 by Greg Jones if we have specific protocol to  
22 monitor possible drug diversion outside of ARCOS  
23 activity with Internet pharmacies or wholesaler  
24 accounts. Nobody volunteered to answer. To my

1      knowledge, we do not. If a distributor Internet  
2      pharmacy customer is properly licensed and is  
3      legally entity of purchase from us, we typically  
4      do not monitor what they purchase or track who  
5      they sell to."

6                      Now, that sure is different from what you  
7      just told me, isn't it? You said you had a  
8      monitor system in place, right?

9              A.      Correct.

10             Q.      All right. So -- but here Mark  
11      Mitchell -- tell the jury who Mark Mitchell is?

12             A.      To the best of my knowledge, Mark  
13      Mitchell -- he was a VP of sales.

14             Q.      So did you just forget, when you told me  
15      that you had a monitoring system in place, that  
16      maybe you didn't have a monitoring system in  
17      place?

18             A.      No.

19                      MR. PYSER: Object to form.

20      BY MR. PAPANTONIO:

21             Q.      No what?

22             A.      We did have a system in place. This has  
23      nothing to do with the suspicious orders of  
24      controlled substances. This has to do with

1 pricing diversion, contract pricing, where a  
2 customer who, under contract, can purchase from a  
3 manufacturer at a discounted price, and then turn  
4 around and they sell that for an inflated price to  
5 another distributor or wholesaler.

6 It's pricing diversion, not the diversion  
7 of controlled substances.

8 Q. And you had a -- you had a responsibility  
9 to monitor that as well, didn't you?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. Yes or no?

13 MR. PYSER: Object.

14 A. Not under -- not under my  
15 responsibilities.

16 BY MR. PAPANTONIO:

17 Q. Okay. Well, not under your  
18 responsibilities, but under what the CFR told you,  
19 you had to a duty to monitor that, didn't you?

20 MR. PYSER: Object to form.

21 A. Price --

22 MR. PYSER: Object to form.

23 Misstates evidence. Go ahead.

24 A. Not pricing.

1 BY MR. PAPANTONIO:

2 Q. All right. Well, let's take -- take a  
3 look at 1941.

4 MR. PAPANTONIO: Show him 1941.

5

6 (Exhibit No. 3 marked for  
7 identification.)

8

9 BY MR. PAPANTONIO:

10 Q. Now, Mr. Reardon, on the record you told  
11 us that Cardinal had a monitoring system in place.  
12 That was your testimony, correct?

13 A. Correct.

14 Q. Take a look at this, please. This is from  
15 Bill with McKesson and the subject is HDMA notes.  
16 It says "Gary and I attended the HDMA conference  
17 last week. These are my notes. Perhaps the most  
18 surprising revelation was Steve Reardon and  
19 Gilberto Quintero saying Cardinal does not report  
20 suspicious orders to the DEA, no upside."

21 Now, who is -- that's you. You're Steve  
22 Reardon, right?

23 A. Yes.

24 Q. And what year is this?



1           A.     2013.

2           Q.     2013. And you know who -- you know who  
3     this fellow is, Mahoney?

4           A.     I believe I've met him at industry  
5     conferences.

6           Q.     Well, you had dinner with him, didn't you?

7           A.     Possibly.

8           Q.     Yeah. And this says "perhaps the most  
9     surprising revelation was Steve Reardon and  
10    Gilberto Quintero saying Cardinal does not report  
11    suspicious orders to the DEA."

12                   Sir, would you agree that if you don't  
13    report suspicious orders to the DEA you are  
14    breaking the law, correct?

15                               MR. PYSER: Object to form.

16    BY MR. PAPANTONIO:

17           Q.     You agree that you're breaking the law if  
18    you don't -- if you fail to comply with the CFRs,  
19    you're breaking the law?

20           A.     We have --

21                               MR. PYSER: Object to form. Calls  
22    for a legal conclusion.

23           A.     We have an obligation to report suspicious  
24    orders.

1 BY MR. PAPANTONIO:

2 Q. And if you don't, you're breaking the law,  
3 true?

4 MR. PYSER: Object to form?

5 A. We're violating a regulation.

6 BY MR. PAPANTONIO:

7 Q. And a regulation is a law; is that  
8 correct?

9 MR. PYSER: Object to form.

10 A. I view it as a regulation.

11 BY MR. PAPANTONIO:

12 Q. Is it hard for you to say that your  
13 company was breaking the law, sir?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. I mean, is that difficult for you this  
17 morning, to say, in light of what we're reading  
18 right here, that your company was breaking the law  
19 in not having a monitoring system?

20 MR. PYSER: Object to form.

21 Misstates evidence. Assumes fact not in -- not  
22 established.

23 A. We had a monitoring system. I don't know  
24 what the conversation was here. I don't recall

1       it. At this point in time, in 2013, I was out of  
2       anti-diversion and focusing on regulatory  
3       operations. I don't know what conversation may  
4       have been had and I don't know why Mr. Mahoney  
5       would have interpreted the conversation to say  
6       that we do not report suspicious orders.

7       BY MR. PAPANTONIO:

8             Q.     That's what he says here though, right?

9                     MR. PYSER: Object to the form.

10       BY MR. PAPANTONIO:

11            Q.     That's what this says. You said that you  
12       had a monitoring system and this gentleman said  
13       that you admitted to him that you don't have a  
14       monitoring system?

15            A.     I did not admit to him.

16                     MR. PYSER: Object to form.

17       Misstates evidence.

18       BY MR. PAPANTONIO:

19            Q.     Now, you were a policeman at one time,  
20       right?

21            A.     Yes.

22            Q.     Did you ever give a speeding ticket?

23            A.     Yes.

24            Q.     All right. Well, you gave a speeding

1 ticket because they were breaking the law, true?

2 A. Yes.

3 Q. Somebody was speeding. They were breaking  
4 the law, right?

5 MR. PYSER: Object to form. Asked  
6 and answered.

7 BY MR. PAPANTONIO:

8 Q. Is that correct?

9 A. Correct.

10 Q. Okay. Here -- and that's regulation.  
11 It's a regulation that you don't speed; is that  
12 true?

13 MR. PYSER: Object to form.  
14 Misstates evidence.

15 A. Correct.

16 BY MR. PAPANTONIO:

17 Q. And so you gave tickets to people who  
18 broke the law because they were speeding,  
19 correct?

20 MR. PYSER: Object to form.

21 A. Correct.

22 BY MR. PAPANTONIO:

23 Q. So you know what breaking the law means,  
24 don't you, Mr. Reardon?

1 MR. PYSER: Object to the form.

2 A. Correct.

3 BY MR. PAPANTONIO:

4 Q. All right. So let's go to the next page  
5 here. At the bottom of the page, if you look, it  
6 says "Later had dinner with the group.  
7 Interesting gossip came from Reardon, Quintero,  
8 who relayed that Cardinal is not reporting  
9 suspicious orders to the DEA on the advice of  
10 outside counsel and that appears to be Linden  
11 Barber."

12 Now, in defense of you, Linden Barber did  
13 tell you that you didn't have to repeat -- that  
14 you didn't have to report suspicious orders. I  
15 don't want to put this on you. You're simply  
16 relating what Linden Barber told you, correct?

17 MR. PYSER: Object to form.

18 A. Did not tell me that.

19 BY MR. PAPANTONIO:

20 Q. Well, then -- he didn't tell you that?  
21 Did you just make that up?

22 MR. PYSER: Object to form.

23 A. I never said it.

24 BY MR. PAPANTONIO:

1           Q.    Okay.  So what he's saying here, that --  
2           where he says that you and Quintero related that  
3           Cardinal is not reporting suspicious orders to the  
4           DEA on the advice of outside counsel, you didn't  
5           say that?  He just -- he's just making this up?

6           A.    I did not say that.

7                       MR. PYSER:  Object to form.  Hold  
8           on.  Go ahead and answer.

9           A.    I did not say it.

10          BY MR. PAPANTONIO:

11          Q.    Okay.  Do you -- Mr. Mahoney here -- do  
12          you have some kind of ongoing fight with Mr.  
13          Mahoney?  Are you all friends, enemies, or what?

14                       MR. PYSER:  Object to the form.

15          A.    I don't really know Mr. Mahoney.

16          BY MR. PAPANTONIO:

17          Q.    But you -- did anybody show you this  
18          document before you came in here today where you  
19          admitted, apparently according to Mahoney, that  
20          Cardinal doesn't have a suspicious order system to  
21          report to the DEA and they don't have it because  
22          the lawyers tell them they don't need it?

23                       MR. PYSER:  Object to the form.

24          A.    I was not told that.

1 BY MR. PAPANTONIO:

2 Q. You were not told that?

3 A. No.

4 Q. And nobody showed you this document before  
5 you came in here today, true?

6 MR. PYSER: Object to form.

7 A. I don't know that I saw the document.

8 BY MR. PAPANTONIO:

9 Q. How many -- how many hours did you prepare  
10 for this deposition?

11 MR. PYSER: You can answer that  
12 question but not reveal the content of any  
13 communications with counsel.

14 A. Two days.

15 BY MR. PAPANTONIO:

16 Q. Two solid days you prepared for this  
17 deposition, right?

18 MR. PYSER: Object to the form.

19 A. Right.

20 BY MR. PAPANTONIO:

21 Q. And in those two solid days, nobody had  
22 told you that there was a statement made where you  
23 had admitted or said to Mr. Mahoney that Cardinal  
24 is not reporting suspicious orders to the DEA on

1 the advice of its lawyers?

2 MR. PYSER: Hold on. Before you  
3 answer, I'm going to object to that question and  
4 instruct the witness not to answer as to anything  
5 that counsel told you. Do not reveal the content  
6 of any conversation --

7 BY MR. PAPANTONIO:

8 Q. You don't have to tell me anything counsel  
9 told you, but counsel -- nobody -- let's just --  
10 nobody told you what we're reading here prior to  
11 you coming here today, true?

12 MR. PYSER: Object to form asked and  
13 answered. To the extent --

14 BY MR. PAPANTONIO:

15 Q. Is that correct?

16 MR. PYSER: To the extent you had a  
17 conversation outside of counsel, you can go ahead  
18 and answer.

19 BY MR. PAPANTONIO:

20 Q. Is that correct?

21 A. I did not have a conversation outside of  
22 counsel.

23 Q. Did you not, okay.

24 So it says "We don't get any credit" --



1 MR. PYSER: Move to strike the last  
2 part of his response --

3 BY MR. PAPANTONIO:

4 Q. This goes on to say --

5 MR. PYSER: -- "outside of counsel."

6 BY MR. PAPANTONIO:

7 Q. This goes on to say, this question, "We  
8 don't get any credit for doing it. Appears there  
9 is no upside." And then it says "Apparently Steve  
10 Reardon now reports to Gilberto Quintero. Michael  
11 Mone been moved to an Ann Berkey -- Berkey-like  
12 role. What's an Ann Berkey-like role?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. What is that?

16 A. I'm not sure. I know the name Ann Berkey.

17 Q. You know it from McKesson, don't you?

18 A. I believe so.

19 Q. Have you -- did you actually deal with her  
20 on a daily basis or did you have contact with Ann  
21 Berkey?

22 A. No.

23 DEFENSE COUNSEL: Objection.

24 A. No.

1 BY MR. PAPANTONIO:

2 Q. It says "We don't get any credit for doing  
3 it. Appears there's no upside."

4 You realize that the CF --

5 MR. PAPANTONIO: Hand me that CFR,  
6 please.

7 BY MR. PAPANTONIO:

8 Q. You understand the upside to the -- to  
9 reporting to the DEA is that there's something  
10 called 21 CFR. You know what that is, don't  
11 you?

12 MR. PYSER: Object to form.

13 A. Yes.

14 BY MR. PAPANTONIO:

15 Q. Tell the jury what 21 CFR is.

16 A. Code of federal regulations.

17 Q. And it's a federal regulation that you  
18 have a responsibility as a distributor to design  
19 and operate a system and to disclose to the  
20 registrants suspicious orders of controlled  
21 substances, right? You knew you had that  
22 responsibility. It's called a monitoring system,  
23 correct?

24 MR. PYSER: Object to form.

1 A. Correct.

2 BY MR. PAPANTONIO:

3 Q. What it is, is it's a system in place  
4 that's supposed to monitor suspicious orders. And  
5 this says -- is that right? It's something in  
6 place that is supposed to monitor suspicious  
7 orders?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Is that correct?

11 A. Correct.

12 Q. And it says "The registrant" -- which  
13 would be Cardinal that you were working for --  
14 that's a registrant, right?

15 A. Correct.

16 Q. "The registrant shall inform the field  
17 division of the administration in his area of  
18 suspicious orders when discovered by the  
19 registrant," which is Cardinal, true?

20 A. True.

21 Q. Cardinal had a duty under the law to  
22 actually report these suspicious orders, correct?

23 MR. PYSER: Object to form. Calls  
24 for legal conclusion.

1 BY MR. PAPANTONIO:

2 Q. According to this --

3 A. Correct.

4 Q. -- you knew what the -- well, let me --

5 your attorney just made an objection, legal

6 conclusion.

7 Did you not know what the laws were when

8 you were working in regulatory?

9 MR. PYSER: Object to form.

10 A. I knew what the regulation was.

11 BY MR. PAPANTONIO:

12 Q. You knew what the regulations were. You

13 read the regulations, right?

14 A. Yes.

15 Q. DEA had met with you and talked to you

16 about the specifics of the regulations, right?

17 A. Possibly.

18 Q. Well, we're going to talk about some

19 meetings that you had, but you don't remember

20 having any meetings with the DEA?

21 MR. PYSER: Object to the form.

22 A. No. I had meetings with DEA. I can't

23 speak to the specific content at a given time.

24 BY MR. PAPANTONIO:

1 Q. Well, you remember the DEA actually going  
2 around and actually having PowerPoint  
3 presentations for people explaining in detail what  
4 the statute from 1971 meant, right, 1971?

5 A. Right.

6 Q. And they would go around and they would  
7 give actual seminars, and they would talk about  
8 the statute that was the CFR 1301.74. They would  
9 talk about the fact A) it's been around since  
10 1971, right?

11 MR. PYSER: Object to form.

12 A. Right.

13 BY MR. PAPANTONIO:

14 Q. And they would say, B) you, as a company,  
15 have a responsibility to make sure you comply with  
16 it, correct?

17 A. Correct.

18 Q. And C) if you don't, you're breaking the  
19 law, correct?

20 MR. PYSER: Object to the form.

21 BY MR. PAPANTONIO:

22 Q. Correct?

23 A. Violating the regulation, yes.

24 Q. Yes. And they even told you -- they

1       said -- the DEA was so specific as far back in  
2       1971 when this was -- when this was given to your  
3       company, that suspicious orders include orders of  
4       unusual size, orders deviating substantially from  
5       a normal pattern, and orders of unusual frequency.

6                   Do you remember that?

7                   MR. PYSER: Object to form.

8           A.     Yes.

9       BY MR. PAPANTONIO:

10       Q.     Do you remember those standards that  
11       were -- that were not only written in 1971 for all  
12       distributors that were selling narcotics, but they  
13       actually went around and met with companies and  
14       told them what their obligations were, correct?  
15       DEA did that?

16       A.     Correct.

17       Q.     All right. And so you're saying that --  
18       according to this document that came from  
19       Mr. Mahoney, where you said that Cardinal is not  
20       reporting suspicious orders to DEA on advice of  
21       outside counsel, you said you never said that?

22       A.     I did not.

23       Q.     Well, sir, do you know Linden Barber?

24       A.     Yes.

1 Q. How often did you meet with Linden  
2 Barber?

3 MR. PYSER: Object to form. You can  
4 answer how often you met with Mr. Barber. But if  
5 he was serving as counsel, don't reveal the  
6 content of any communications with him.

7 BY MR. PAPANTONIO:

8 Q. How often did you meet with Mr. Barber?

9 A. If I did, it was very infrequent.

10 Q. Did he give directions to the company  
11 about what was legal and not legal? Was that his  
12 role there?

13 MR. PYSER: Object to form. Don't  
14 reveal the content of any communications from  
15 Mr. Barber.

16 BY MR. PAPANTONIO:

17 Q. That was his role though, to tell the  
18 company what was legal and what was illegal,  
19 correct?

20 A. Correct.

21 Q. And how many years did Mr. Barber do -- in  
22 that process, how many years was he in the -- in  
23 that role of telling the company -- or directing  
24 the company about what was legal or illegal? How

1 many years do you recall?

2 A. I don't recall.

3 Q. Are you working as a consultant right now?

4 A. Yes.

5 Q. Who do you work for?

6 A. Cardinal Health.

7 Q. How many years have you worked still as a  
8 consultant for Cardinal Health?

9 A. Since I retired in March of '16.

10 Q. And then they hired you on as a  
11 consultant?

12 A. Hired me on as a consultant on non-DEA  
13 matters.

14 Q. Were they asked -- did anybody from  
15 Cardinal Health ask to meet with you or have any  
16 meetings with you about the history of what  
17 actually occurred within Cardinal before the  
18 congressional hearings took place in Washington,  
19 D.C.? Did anybody meet with you just to talk to  
20 you about what you remember about the history?

21 MR. PYSER: Object to form. If you  
22 had any meetings with counsel, don't reveal the  
23 content of them.

24 A. I don't recall.



1 BY MR. PAPANTONIO:

2 Q. You don't recall meeting or don't recall  
3 what the -- what the meeting was about?

4 A. I don't recall the meeting.

5 Q. Well, let's go back -- let's go back to  
6 4253. You remember that's the article that we  
7 were talking about, the Oxy Express. It says  
8 that -- let's pick up with -- see where it says  
9 "12 million people reported using prescription  
10 painkillers nonmedically in 2010, meaning without  
11 a prescription or only for the feeling. The most  
12 recent year for there is data since 1999. The  
13 number has led to an over 400 percent increase in  
14 female deaths and 265 percent increase in male  
15 deaths involving opioids."

16 Were you aware that, while you were  
17 working with the company, there were that many  
18 people dying throughout the United States from  
19 opioid overdoses? Do you remember those numbers  
20 being that high?

21 MR. PYSER: Object to form.

22 A. I do not.

23 BY MR. PAPANTONIO:

24 Q. Since you're a consultant, have you kept

1 up the with the numbers of people still dying in  
2 America from opioid overdoses?

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. Do you know what the number is?

6 A. No. In my role as a consultant, I don't  
7 work on DEA matters.

8 Q. All right. Had anybody -- prior to coming  
9 here, had anybody shared with you that somewhere  
10 between 115 and 150 people will die today because  
11 of opioid overdoses?

12 MR. PYSER: Objection. Misstates  
13 evidence.

14 BY MR. PAPANTONIO:

15 Q. Did you know that?

16 A. No.

17 Q. It goes on to say, "In 2008" -- and you  
18 were with the company in 2008 -- "the CDC reported  
19 14,800 deaths from prescription painkillers. Two  
20 years later, that number increased to 16,651.  
21 Opioid overdose deaths in America are now greater  
22 than heroin and cocaine combined."

23 So I want to begin with this, sir, because  
24 I want to ask you, were you -- are you aware of

1 the opioid epidemic that exists in this country  
2 today?

3 MR. PYSER: Object to the form.

4 A. I'm aware that there is an opioid  
5 epidemic. I don't know the numbers.

6 BY MR. PAPANTONIO:

7 Q. Were you aware of the opioid epidemic that  
8 was existing while you were actually in the role  
9 of quality regulatory?

10 A. I was in that role up until 2007.

11 Q. Up until 2007. And then what did you do  
12 after 2007?

13 A. Let me clarify. I was in the role of  
14 anti-diversion up until 2007. After that,  
15 anti-diversion split off and moved under Michael  
16 Mone.

17 Q. Did you work for Michael Mone?

18 A. I did not.

19 Q. What did you do -- well, what were you  
20 doing after that?

21 A. It was primarily DC operations, regulatory  
22 compliance.

23 Q. Regulatory compliance in Washington, D.C.  
24 for Cardinal; is that correct?

1 MR. PYSER: Object to form.

2 Misstates evidence.

3 BY MR. PAPANTONIO:

4 Q. Excuse me, excuse me.

5 Regulatory operations, correct?

6 A. In our distribution centers.

7 Q. Right. So were you -- were you working  
8 with corporate?

9 A. Yes.

10 Q. You were paid through corporate?

11 A. Yes.

12 Q. What -- where was your office?

13 A. At corporate.

14 Q. And that is where? Columbus, Ohio?

15 A. Dublin, Ohio.

16 Q. Dublin, Ohio. You were there at the  
17 headquarters for Cardinal for how many years  
18 total?

19 A. Twenty-one.

20 Q. You were there 21 years, right?

21 A. Right.

22 Q. Did you have a chance to talk to Mr.  
23 Brantley about his testimony that he gave this  
24 week?

1           A.    I did not.

2           Q.    Well, let me show --

3                       MR. PAPANTONIO:  Show this witness

4    4085, 4085.

5                       MS. MOORE:  Reardon 4.

6

7                       (Exhibit No. 4 marked for

8    identification.)

9

10   BY MR. PAPANTONIO:

11           Q.    Sir, when did you have a chance -- you see

12   the heading -- it's United States Department of

13   Justice, Drug Enforcement, Cardinal Health.

14   There's a docket number.  Down at the bottom, the

15   date is February 22, 2012.

16                       And you were working for Cardinal right

17   there at headquarters in corporate in 2012,

18   correct?

19           A.    Correct.

20           Q.    And you saw this, I take it?

21           A.    (Witness reviews document.)

22                       I don't recall seeing this.

23           Q.    You don't recall it.  Okay.  Well, let's

24   go through it and see what parts of this you knew

1       about that since -- in other words, is your  
2       testimony nobody with company showed this to  
3       you?

4                               MR. PYSER: Object to form.

5       BY MR. PAPANTONIO:

6               Q.    Is that your testimony, nobody with the  
7       company showed you this document?

8               A.    Correct.

9               Q.    That's fair enough for me to say. Okay,  
10       good.

11                    It starts off "Pursuant" -- next page,  
12       "Pursuant to February 13, 2012 order for  
13       prehearing statements, the United States  
14       Department of Justice Drug Enforcement  
15       Administration by and through its undersigned  
16       attorneys hereby submit its prehearing statement."

17                    Now, I want to ask you some questions  
18       about this.

19                    "Government requests revocation of  
20       respondent's DEA certificate," do you see that  
21       right there, "Government requests revocation of  
22       respondent's DEA certificate"?

23               A.    Yes.

24               Q.    Now, respondent here is Cardinal. So

1 every time we hear the word "respondent," you know  
2 that means Cardinal, correct?

3 MR. PYSER: Object to form.

4 A. Correct.

5 BY MR. PAPANTONIO:

6 Q. And then it's got a list of people that --  
7 you see the list of witnesses, Joseph Rannazzisi,  
8 Ruth Carter, Kyle Wright, Heather Whirl  
9 (phonetic), Amy Radcliff, Michael Arpaio --  
10 Arpaio, excuse me, Arpaio.

11 You know these people, don't you?

12 MR. PYSER: Object to form.

13 Compound.

14 A. I don't know all of them.

15 Q. Which ones do you know?

16 A. I know Ruth Carter, Kyle Wright, and  
17 Michael Arpaio.

18 Q. And you've actually had dealings with them  
19 over the phone and face-to-face, haven't you?

20 A. I believe so.

21 Q. So this says "Summary of testimony, Office  
22 of Division Control -- Diversion Control, Deputy  
23 Assistant Administrator Joseph Rannazzisi." It  
24 says "Deputy Assistant Administrator Rannazzisi

1 testified to his background, his education and  
2 training as a DEA Deputy Assistant Administrator,  
3 a law enforcement officer and a licensed  
4 pharmacist. He will testify as follows."

5 Now, first of all, had you ever had any  
6 dealings with Mr. Rannazzisi?

7 MR. PYSER: Object to form. Hearsay  
8 upon hearsay.

9 A. No.

10 BY MR. PAPANTONIO:

11 Q. Excuse me?

12 A. No.

13 Q. You never dealt directly with Rannazzisi?

14 A. No.

15 Q. Did anybody ever show you any reports that  
16 Rannazzisi had prepared in regard to the conduct  
17 of Cardinal?

18 A. I don't recall.

19 Q. You don't recall or -- you don't recall  
20 the content or you don't recall anybody ever  
21 showing you what Rannazzisi actually sent as far  
22 as letters to Cardinal about their conduct?

23 A. I've seen some letters.

24 Q. So you have seen letters from



1 Rannazzisi?

2 A. Correct.

3 Q. All right. So this says "Prescription  
4 drug abuse occurs in the United States at a  
5 alarming rate. 2010 national survey on drug use  
6 and health reveals that approximately 7 million  
7 Americans abused controlled substance  
8 pharmaceutical purposes, second only to marijuana.  
9 Controlled substance prescription drugs are abused  
10 by more people than cocaine, heroin,  
11 hallucinogenics and inhalant combined."

12 Now, did you know that when you were the  
13 person in -- when you were working in quality  
14 regulatory, did you know these numbers?

15 MR. PYSER: Object to form.  
16 Misstates time frame. He's already testified he  
17 wasn't working in that area of QRA in 2010. He  
18 told you he was out of anti-diversion by that  
19 point.

20 BY MR. PAPANTONIO:

21 Q. 2010, you were right at corporate  
22 headquarters, correct, in Columbus, Ohio?

23 A. Correct.

24 Q. And what were you doing in 2010?

1           A.    I was outside of anti-diversion,  
2   monitoring DC activities, compliance.

3           Q.    You were monitoring compliance, correct?

4           A.    Within the distribution centers.

5           Q.    Right. Exactly. So a distribution  
6   center -- how many distribution centers were  
7   there?

8           A.    It varied over time, but somewhere in the  
9   twenties.

10          Q.    So you were monitoring Cardinal's business  
11   distribution centers throughout the United States,  
12   correct?

13                   MR. PYSER: Object to form.

14          A.    Their operations to facilitate compliance.

15   BY MR. PAPANTONIO:

16          Q.    And you didn't know these numbers that we  
17   just talked about here, did you?

18                   MR. PYSER: Object.

19   BY MR. PAPANTONIO:

20          Q.    You didn't know that approximately 7  
21   million Americans abused controlled substances?  
22   This is 2010, you didn't know that, correct?

23                   MR. PYSER: Object to form. Asked  
24   and answered.

1           A.    I was outside of anti-diversion at this  
2    time.

3    BY MR. PAPANTONIO:

4           Q.    Sir, you were monitoring compliance for  
5    all of the distribution centers throughout the  
6    country. Is that a yes or a no?

7                   MR. PYSER: Object to the form.

8           A.    Not the anti-diversion program.

9    BY MR. PAPANTONIO:

10          Q.    You were monitoring the system throughout  
11    the country for your distribution centers, correct  
12    or incorrect?

13                  MR. PYSER: Object to form. Vague.

14          A.    Not anti-diversion.

15   BY MR. PAPANTONIO:

16          Q.    What were you monitoring?

17          A.    Well, there's a host of other regulations  
18    that we need to meet.

19          Q.    Right, exactly. That's what I'm asking  
20    you about.

21                  You knew that you had to monitor  
22    regulations throughout the country for your  
23    distributors, correct?

24                  MR. PYSER: Object to form.

1 A. Outside of anti-diversion.

2 BY MR. PAPANTONIO:

3 Q. That's fine. I don't care whether it's a  
4 mile outside anti-diversion.

5 You were monitoring regulatory standards  
6 for distribution centers throughout the United  
7 States --

8 MR. PYSER: Object.

9 BY MR. PAPANTONIO:

10 Q. -- for Cardinal, yes or no?

11 MR. PYSER: Object to form.

12 A. Yes.

13 BY MR. PAPANTONIO:

14 Q. In monitoring, you didn't know, as early  
15 2010, 7 million Americans were abusing  
16 pharmaceuticals? You didn't know that?

17 MR. PYSER: Object to form.

18 A. No.

19 BY MR. PAPANTONIO:

20 Q. You didn't know that it was -- you did not  
21 know that the abuse was so serious that it was  
22 second only to marijuana, controlled substances  
23 prescription drugs were abused by more people than  
24 cocaine, heroin, hallucinogenics, inhalents

1 combined? Nobody had ever told you that, had  
2 they?

3 MR. PYSER: Object to form.

4 A. No.

5 BY MR. PAPANTONIO:

6 Q. Let's go to the next page.

7 Top of the page, see where it says  
8 "Florida is epicenter for these illegal pain  
9 clinics"?

10 A. Yes.

11 Q. Did you know that?

12 A. I was aware of that.

13 Q. It says "DEA, state and local law  
14 enforcement investigations reveal thousands of  
15 drug seekers flock to these Florida-based pain  
16 clinics to obtain their supply of oxycodone and  
17 other controlled substances such as alprazolam,  
18 which is, in turn, illegally redistributed in  
19 states along the entire east coast and midwest.

20 Do you see that? You knew that was going  
21 on while you were working in your prior job in  
22 regulatory, right?

23 MR. PYSER: Object to form.

24 A. Yes.

1 BY MR. PAPANTONIO:

2 Q. And you knew that while you were working  
3 in your role of -- at headquarters there in  
4 Columbus, Ohio, correct?

5 A. Correct, but to that point -- Cardinal's  
6 role -- we would buy only from duly-licensed  
7 manufacturers and distribute to only duly-licensed  
8 pharmacies whether it be hospital, independent  
9 retail, chain pharmacies long-term care, et  
10 cetera, and then those locations -- their  
11 pharmacists would dispense pursuant to a  
12 legitimate prescription.

13 Q. Sir, the jury has already heard what your  
14 responsibilities are and what you actually did.  
15 And we're going to take some time today and we're  
16 going to review how far off your compliance was  
17 with federal standards.

18 So as we go through, that's what I'm going  
19 to be talking about, what you knew  
20 about personally, about how far off the track  
21 Cardinal had become -- had gotten in its  
22 compliance with federal drug narcotic standards,  
23 okay?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Fair enough?

3 MR. PYSER: Move to strike the  
4 counsel's speech.

5 BY MR. PAPANTONIO:

6 Q. Do you understand what we're doing here  
7 today?

8 MR. PYSER: Object to form.

9 A. Yes.

10 BY MR. PAPANTONIO:

11 Q. So let me begin with this: You supplied  
12 the drugs that were sold to pain clinics, right?

13 MR. PYSER: Object to the form.

14 A. Multiple distributors could have supplied,  
15 it may not have been Cardinal Health.

16 BY MR. PAPANTONIO:

17 Q. But you did. That's one thing you did, is  
18 you supplied pain clinics, correct, yes or no?  
19 That's all it takes. You did or didn't?

20 MR. PYSER: Object to the form.

21 A. I don't know who the customers were at  
22 that time.

23 BY MR. PAPANTONIO:

24 Q. Sir, did your company supply pain clinics

1 in Florida?

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. Yes or no?

5 MR. PYSER: Object to form.

6 A. I don't know.

7 BY MR. PAPANTONIO:

8 Q. You simply don't have a recall of whether  
9 or not your company supplied pain clinics in  
10 Florida; is that your testimony?

11 MR. PYSER: Object.

12 A. Again, I was not in anti-diversion.

13 MR. PYSER: Object to form. Vague.

14 BY MR. PAPANTONIO:

15 Q. You were in headquarters working in  
16 Columbus, Ohio for -- how many years did you say?

17 A. Twenty-one.

18 Q. Twenty-one years. Okay. Let's go ahead.

19 It says -- you see where it says down --

20 "According to the Florida medical examiner's  
21 office"? Do you see that? According to the  
22 Florida medical examiner's office, they have seen  
23 a 345 percent increase in the number of overdose  
24 deaths associated with oxycodone between 2005 and



1 2010.

2 Now, what were you doing in 2005? Tell  
3 the jury what you were doing in 2005 for Cardinal.

4 MR. PYSER: Object to the form.

5 A. One of my responsibilities was  
6 anti-diversion at the time. The other part was  
7 the regulatory aspect of DC operations.

8 BY MR. PAPANTONIO:

9 Q. And see it says 2005 to 2010. What were  
10 you doing in 2006? Tell the jury what you were  
11 doing in 2006.

12 A. As I stated --

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. Go ahead.

16 A. -- I was doing both regulatory compliance  
17 and DC operations and anti-diversion.

18 Q. And what were you doing in 2007?

19 MR. PYSER: Object to the form.

20 A. That was a transition year. That got  
21 turned over to Michael Mone.

22 BY MR. PAPANTONIO:

23 Q. And then in 2010, you're working in  
24 headquarters on -- as far as overseeing all the

1 distributors -- distributorships in the United  
2 States for Cardinal, correct?

3 MR. PYSER: Object to form.  
4 Misstates evidence.

5 BY MR. PAPANTONIO:

6 Q. Didn't you just tell me that?

7 A. Correct.

8 Q. All right. Because your lawyer just said  
9 I misstated something, so I want to make sure I  
10 don't misstate anything because you did say that,  
11 didn't you?

12 MR. PYSER: Object to form. Asked  
13 and answered.

14 MR. PAPANTONIO: I'll move on.

15 BY MR. PAPANTONIO:

16 Q. For 2010 their data showed approximately  
17 4,091 persons died in Florida alone in an overdose  
18 caused by just five drugs, methadone, oxycodone,  
19 hydrocodone, benzodiazepine, morphine.

20 Now, your company sold every one of those  
21 drugs, right?

22 A. Correct.

23 Q. This is an average of 11.2 persons dying  
24 in the State of Florida every day from just these

1 five drugs.

2 Sir, do you understand -- I'm just curious  
3 just about what you understand about the -- about  
4 the physiology of the human body where it comes  
5 into a possibility of a drug overdose.

6 Do you know how drug overdose takes  
7 place?

8 MR. PYSER: Object to form.

9 A. I do not.

10 Q. Have you taken any time in the 20 years  
11 that you've worked for the company to find out  
12 what happens in a overdose death? How does -- how  
13 does a young man die from an overdose death?

14 MR. PYSER: Object to form.

15 A. I don't know.

16 BY MR. PAPANTONIO:

17 Q. But were you aware that there were  
18 overdose deaths taking place all over the United  
19 States, right?

20 A. I was aware that some -- yes.

21 Q. You were aware that Cardinal was selling  
22 the very drugs that was -- that had the potential  
23 to cause overdose deaths, true?

24 MR. PYSER: Object to the form.

1           A.    I don't know that we sold those specific  
2    drugs.

3    BY MR. PAPANTONIO:

4           Q.    Okay. Well, I just asked you. Which one  
5    of these drugs did you not sell, methadone,  
6    oxycodone, hydrocodone, benzo -- which one of  
7    these did you not sell?

8           A.    We sold the drugs. I'm just saying they  
9    may not have been the drugs that caused the  
10   overdose.

11          Q.    Sir, you were -- let me just be clear  
12   about something.

13                There was the top three narcotics sales  
14   distributors in the country was your company,  
15   Cardinal, McKesson -- you know who McKesson is,  
16   right?

17                       MS. MONAGHAN: Object to form.

18   BY MR. PAPANTONIO:

19          Q.    -- and ABC, AmerisourceBergen, right?

20          A.    Correct.

21          Q.    You know, as we sit here, that those were  
22   the top three drug narcotic distributors in the  
23   country? You know that --

24                       MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. -- true?

3 A. Correct.

4 Q. It says "This combination is often  
5 referred to as the trinity." Have you ever heard  
6 of term "trinity"?

7 MR. PYSER: Object to form. Vague.

8 A. I'm not sure.

9 BY MR. PAPANTONIO:

10 Q. So you're not sure that you've ever heard  
11 the term "trinity" in relationship to drug  
12 overdoses; is that correct?

13 A. Correct.

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. And trinity is hydrocodone, oxycodone used  
17 in combination with alprazolam and benzodiazepine.  
18 Do you see that?

19 Have you ever known that there was a  
20 combination that of drugs that people were buying  
21 called "The Holy Trinity," which increased the  
22 number of deaths in the country? Did you ever  
23 know anything about that?

24 MR. PYSER: Object to the form.

1           A.    I don't recall seeing it.

2           BY MR. PAPANTONIO:

3           Q.    Did your company sell each one of these  
4           things, oxycodone, alprazolam, benzodiazepine?  
5           Did you all sell that?

6                       MR. PYSER:   Object to form.

7           A.    Yes.

8           BY MR. PAPANTONIO:

9           Q.    According to the medical examiner's  
10           office, they have seen a 127 percent increase in  
11           the number of deaths associated with  
12           benzodiazepines in the State of Florida between  
13           2005 and 2010.

14                    You were there in 2005 as -- in charge of  
15           quality regulation, right?

16           A.    Yes.

17           Q.    You were there in 2006 in that position,  
18           correct?

19           A.    Correct.

20           Q.    You were there in 2007 in that position,  
21           correct?

22           A.    Part of the year.

23           Q.    And then it goes on to say -- as a matter  
24           of fact, you were a leader in those positions,

1 weren't you, sir?

2 I mean, part of your job was to be a

3 leader in those positions, correct?

4 A. Correct.

5 Q. It says "Approximately February 2009

6 through 2010, monthly oxy -- oxycodone sales to

7 Florida practitioners steadily increased and well

8 surpassed monthly oxycodone sales in the remaining

9 states."

10 Now, did you know that Florida actually

11 had the highest sales in the country during that

12 period of time?

13 MR. PYSER: Object to form.

14 A. I was not aware.

15 BY MR. PAPANTONIO:

16 Q. But you were there in 2005, what was

17 your -- daily, in 2005, you would review orders

18 that would come in from the company, correct?

19 MR. PYSER: Object to form.

20 A. Not personally.

21 BY MR. PAPANTONIO:

22 Q. Not personally, but you had a department

23 that did that. There was three of you all?

24 A. Correct.

1 Q. Out of 30,000 employees, there were three  
2 of you, correct?

3 MR. PYSER: Object to form. Asked  
4 and answered.

5 A. Correct.

6 BY MR. PAPANTONIO:

7 You see where it says "On July 1,  
8 2011, the State Health Officer and Surgeon  
9 General, Frank Farmer, issued a statewide public  
10 health emergency declaration in response to the  
11 ongoing problem of prescription drugs in the  
12 division of Florida titled the State General --  
13 State Surgeon General Declares Public Health  
14 Emergency Regarding Prescription Drug Abuse  
15 Epidemic.

16 Now, did you -- you reviewed, that didn't  
17 you?

18 MR. PYSER: Object to form.

19 A. Did not.

20 BY MR. PAPANTONIO:

21 Q. You didn't review the Surgeon General  
22 writing an article called State Surgeon General  
23 Declares Public Emergency Regarding Prescription  
24 Drug Abuse Epidemic in Florida?



1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. You did not review that?

4 A. I did not.

5 Q. And you haven't reviewed it prior to  
6 coming in here today --

7 A. No.

8 Q. -- right?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. And you never even heard of this -- of the  
12 term "Oxy Express" prior to the time I showed it  
13 to you in a document?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Oxy Express --

17 A. No.

18 Q. -- never heard it?

19 A. No.

20 Q. The press release noted that "In 2010, 98  
21 of the top 100 doctors dispensing oxycodone  
22 nationally were in Florida."

23 Do you see that?

24 It goes on to say, "More oxycodone is

1 dispensed in the State of Florida than in the  
2 remaining states combined."

3 Now, you -- Florida was something that you  
4 had to oversee. That was part of your role,  
5 right?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. You --

9 MR. PAPANTONIO: Excuse me, I'm  
10 going to finish my question.

11 BY MR. PAPANTONIO:

12 Q. You had to over oversee orders that were  
13 going to Florida, correct?

14 MR. PYSER: Object to form.  
15 Misstates testimony. Vague as to time frame.

16 A. Not at this time.

17 BY MR. PAPANTONIO:

18 Q. Sir --

19 A. I was out of anti-diversion at this time.

20 Q. Sir, 2005, you did that, didn't you?

21 A. Did you not just reference 2010?

22 Q. 2005, you did that, correct?

23 MR. PYSER: Object to the form.

24 A. Correct.

1 BY MR. PAPANTONIO:

2 Q. Florida?

3 A. Correct.

4 Q. 2006, you did that for Florida, correct?

5 MR. PYSER: Object to form.

6 A. Correct.

7 BY MR. PAPANTONIO:

8 Q. 2007, you did that for Florida, correct?

9 MR. PYSER: Object to form.

10 A. For the part of year.

11 BY MR. PAPANTONIO:

12 Q. As a matter of fact, there's

13 distributor -- there's a distributor right there

14 in the State of Florida, wasn't there, when you

15 were working with the company?

16 MR. PYSER: Object to the form.

17 A. Correct.

18 BY MR. PAPANTONIO:

19 Q. What was the distributor? Tell the jury

20 what the distributor -- what's the name of the

21 distributor?

22 A. Cardinal Health, Lakeland.

23 Q. Cardinal Health, Lakeland.

24 And you're all familiar with what happened

1 in your distributorship that you were overseeing  
2 in Lakeland, Florida. You know what happened down  
3 there as far as the DEA being involved with  
4 uncovering criminal conduct in that area of the  
5 Florida, right?

6 MR. PYSER: Object to form.

7 Misstates evidence.

8 DEFENSE ATTORNEY: Also object to  
9 form.

10 BY MR. PAPANTONIO:

11 Q. Did you not know that there were  
12 investigations of criminal conduct in the very  
13 area where your distribution site was?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Had nobody told you that prior to coming  
17 here today?

18 MR. PYSER: Object to the form.

19 A. I knew there was an investigation.

20 BY MR. PAPANTONIO:

21 Q. All right. Well, let's see what the  
22 investigation was. You don't want to use the term  
23 "criminal," do you?

24 MR. PYSER: Object.

1 BY MR. PAPANTONIO:

2 Q. You don't want to use the term

3 "criminal"?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. There was a criminal investigation going

7 on. You don't want to say that here today, do

8 you?

9 MR. PYSER: Object to form.

10 A. I don't know that it was criminal.

11 BY MR. PAPANTONIO:

12 Q. Well, let's take a look and see what it

13 was, okay.

14 It says "Wholesale distributors are

15 required" -- you've already talked about this.

16 They're required "to design and operate a system

17 that would detect suspicious orders and report

18 those suspicious orders to the DEA, though the

19 DEA's distribution initiative program, DEA has

20 discussed with registrant, including Cardinal, the

21 firm's due diligence responsibility under the CSA,

22 including knowing one's customer, suspicious order

23 monitoring, trends and controlled substances

24 abuse, theft and diversion, and a thorough review

1 of the distributor's own sales of controlled  
2 substances data obtain through DEA."

3 Do you see that?

4 MR. PYSER: Object to form. Move to  
5 exclude this entire line of testimony as hearsay.

6 BY MR. PAPANTONIO:

7 Q. According to your -- according to what  
8 we've already seen, you say you didn't say this,  
9 but the folks from McKesson said you never had a  
10 monitoring system there at Cardinal?

11 MR. PYSER: Object to form.  
12 Misstates evidence. That's not what the document  
13 says.

14 BY MR. PAPANTONIO:

15 Q. Isn't that what the document -- well,  
16 let's look again. Your lawyer doesn't remember  
17 what the document said. Do you remember what it  
18 said?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Well, let me help the lawyer out. Get the  
22 document up here again. Pull it out in front of  
23 you right there. This is not for you. This is  
24 for your lawyer since he wants to review what it

1       said.

2                   Go to page 2 of that document.   Why don't  
3       you read -- read for me the last paragraph on that  
4       document.   What number is it?

5                   MR. PYSER:   Counsel, if this is for  
6       my benefit, can you go back to your question and  
7       tell me where it says that Cardinal never had a  
8       suspicious order monitoring system?

9       BY MR. PAPANTONIO:

10       Q.    What number is that document, sir?

11                   MR. PYSER:   Object to the form.

12       BY MR. PAPANTONIO:

13       Q.    Sir, look at the number on the document.  
14       What does it say?

15       A.    Three.

16       Q.    And what's -- and the document number is  
17       1941.   Go to page 2, so we can read this again  
18       since I want to be sure that everybody understood  
19       what this said.

20                   Why don't you read for me the -- that  
21       paragraph?   Why don't you read for me that  
22       paragraph, okay?

23       A.    "Later had dinner with the group.  
24       Interesting gossip came from Reardon and Quintero,

1       who relayed that Cardinal is not reporting  
2       suspicious orders to DEA on the advice of outside  
3       counsel, appears to be Linden Barber. We don't  
4       get any credit for doing it, appears there is no  
5       upside. Apparently Steve Reardon now reports to  
6       Gilberto Quintero. Michael Mone has been moved to  
7       an Ann Berkey-like role."

8                       MR. PYSER: Object to form.

9       BY MR. PAPANTONIO:

10       Q.    Okay. Now, let me proceed with this.

11               You were back on the document where the  
12       investigation is being done by the DEA. And  
13       that's the document in front of you, 4085, and  
14       it's talking about the idea that you were -- you  
15       absolutely were required to have a monitoring  
16       system in place for suspicious orders, correct?  
17       According to this, that was a requirement, that  
18       you have a monitoring system in place for  
19       suspicious orders, yes?

20                       MR. PYSER: Object to form.

21       A.    Correct.

22       BY MR. PAPANTONIO:

23       Q.    And if you don't, then you're breaking the  
24       law, correct?



1 MR. PYSER: Object to form.

2 A. Violating the regulation.

3 BY MR. PAPANTONIO:

4 Q. Right. And you just told us earlier, when  
5 a -- somebody speeding gets a speeding ticket,  
6 they're breaking the law, aren't they?

7 MR. PYSER: Object to form.

8 A. Yes.

9 BY MR. PAPANTONIO:

10 Q. And then let's go down to the -- let's go  
11 to the next page. That first -- excuse me, the  
12 first full paragraph.

13 "In addition, on September 27, 2006, DEA  
14 sent a letter to all distributors including  
15 respondent."

16 Respondent's Cardinal; you understand  
17 that, sir?

18 A. Yes.

19 Q. "Detailing the distributor's  
20 responsibility to ensure that their products are  
21 not diverted for illicit use."

22 So you actually got a letter -- first of  
23 all, you know about the statute. It was 1971 that  
24 told you exactly how you had to comply with the

1 law. That's 1971 CFR, right?

2 MR. PYSER: Object to form.

3 A. Right.

4 BY MR. PAPANTONIO:

5 Q. Here, this is talking about a letter.

6 September 2006, DEA sent a letter to Cardinal

7 detailing what your responsibilities were.

8 You see that?

9 A. Yes.

10 Q. Did you review a -- do you remember

11 reviewing a letter in 2006?

12 A. I did.

13 Q. It says "The letter reminded distributors

14 that they have a statutory responsibility to

15 exercise due diligence to avoid filling suspicious

16 orders that might be diverted into legitimate --

17 illegitimate channels and warned that the failure

18 to exercise such due diligence could provide a

19 statutory basis for revocation or suspension of

20 the distributor's registration."

21 And you know, sir, that Cardinal had

22 multiple -- had multiple suspensions of their

23 license to sell narcotics throughout the country

24 by this time?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. 2010, you know they had multiple times  
4 where the DEA said, you're not complying with the  
5 law, and we are suspending your right to sell  
6 narcotics? You know that?

7 MR. PYSER: Object to form.

8 A. There were suspensions. There were  
9 allegations. There were no admissions and I don't  
10 think anything was proven.

11 BY MR. PAPANTONIO:

12 Q. You were a policeman at one time, right?  
13 You were a policeman?

14 MR. PYSER: Object to form. Asked  
15 and answered.

16 BY MR. PAPANTONIO:

17 Q. You told us you were a policeman, right?

18 A. Correct.

19 Q. Did you arrest a few people --

20 A. Yes.

21 Q. -- in your time as a police --

22 A. Yes.

23 Q. Did you have some of those people tell you  
24 that they didn't do it?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Did that happen to you as a policeman,  
4 where people said, I didn't do that?

5 A. On occasion.

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. And then you find out they did, right?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Later on, you find out they did --

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. -- true?

15 A. Sometimes.

16 Q. Now, this says that -- so you saw -- you  
17 saw the letter that was sent in 2006. And it said  
18 that the letter reminded distributors they have a  
19 statutory responsibility to exercise due diligence  
20 and failure would be possible revocation or  
21 suspension of the license to sell narcotics. We  
22 just read that, true?

23 A. Correct.

24 Q. It says "The letter cautioned that a

1 distributor may not simply rely on the person  
2 placing the suspicious order, as the DEA  
3 registrant, and turn a blind eye to suspicious  
4 circumstances."

5 Do you remember them telling you that you  
6 can't turn a blind eye to suspicious  
7 circumstances, right?

8 A. I remember the letter. I -- I haven't  
9 reviewed it recently, so I can't remember that.

10 Q. Well, let me ask you this: While we're  
11 talking about turning a blind eye, you -- one of  
12 your biggest accounts that the company had was  
13 CVS, true?

14 A. Yes.

15 Q. And you let CVS do their own policing as  
16 to whether or not suspicious orders were being  
17 made, correct?

18 MR. PYSER: Object to form.

19 A. I can't speak to that. That was after my  
20 time in the anti-diversion.

21 BY MR. PAPANTONIO:

22 Q. Sir, I'm not talking about diversion. I'm  
23 talking about -- you were in charge of the actual  
24 distributorships throughout the country. From

1 Washington state all the way down to Lakeland, you  
2 were the guy in charge, right?

3 MR. PYSER: Object to form.

4 Misstates evidence.

5 BY MR. PAPANTONIO:

6 Q. Yes or no? If you're not the guy in  
7 charge, just tell me. I'll go on from it. But  
8 were you the guy in charge?

9 A. Yes.

10 Q. Okay. So you knew, didn't you? When  
11 anything was abnormal within the area of a  
12 distributorship, you knew what was going on,  
13 true?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. That was your job, to know what was going  
17 on, right?

18 A. Correct.

19 Q. And you can't turn -- and you know that  
20 some of your distributorships that you were  
21 overseeing throughout the country -- that CVS was  
22 getting drugs from those -- narcotics from those  
23 distributorships, right?

24 A. Yes.

1           Q.    And you knew that several of them had  
2    been -- actually were so out of -- so out of line  
3    with what the law required that they actually  
4    tried to shut them down, DEA shut them down?

5                       MR. PYSER:  Object to form.

6           A.    I don't know that.

7    BY MR. PAPANTONIO:

8           Q.    You don't know that?

9                       MR. PYSER:  Object to form.

10          A.    (Witness nodding.)

11   BY MR. PAPANTONIO:

12          Q.    Do you remember any suspensions taking  
13   place for the distribution centers?

14                      MR. PYSER:  Object to form.

15          A.    I recall something.  Again, it was outside  
16   the scope of what I was doing at that time.

17   BY MR. PAPANTONIO:

18          Q.    Sir, you were the number one guy in charge  
19   of distributorships.  I just want to be sure of  
20   that.  I mean, I'll go through it.

21                      You know you have -- you prepared kind of  
22   a CV telling everybody what you're supposed to do.  
23   You were the number one guy in charge of these  
24   distributorships, right?

1 MR. PYSER: Object to form.

2 A. For DC operations.

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. That's all I want to know.

6 A. Not anti-diversion.

7 Q. I understand, sir. This all ties into  
8 some things that you knew and could have known,  
9 right?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. We're talking about things you knew and  
13 could have known, whatever was happening around a  
14 distributorship, true?

15 MR. PYSER: Object to form. Vague.

16 A. Possibly.

17 BY MR. PAPANTONIO:

18 Q. Yeah, possibly. Well, was there  
19 somebody -- who was your boss? Maybe we can talk  
20 to them. Who was your boss?

21 A. Gilberto Quintero.

22 Q. So Quintero was the guy that was in that  
23 letter. They said you were at the dinner and  
24 Quintero was at the dinner and that you said that



1       there's no responsibility to do any monitoring.

2       Quintero was with you when that was said?

3                       MR. PYSER: Object to form and

4       misstates evidence.

5       BY MR. PAPANTONIO:

6       Q.    Is that true?

7                       MR. PYSER: Object to form.

8       A.    I did not say that.

9       BY MR. PAPANTONIO:

10       Q.    I know. But according to that letter,

11       Quintero was there with you?

12                      MR. PYSER: Object to form.

13       A.    Correct.

14       BY MR. PAPANTONIO:

15       Q.    All right. So tell me, what did you --

16       what kind of monitoring system did you have for

17       big chains like CVS and Walgreens? You didn't

18       have one, did you?

19       A.    Time frame?

20       Q.    Ever.

21       A.    Ever?

22       Q.    Ever.

23                      MR. PYSER: Object to form.

24       A.    My time in anti-diversion, which would

1 have been up until 2007, we used a DEA-approved  
2 ingredient limit report that would have included  
3 the chains. And that was submitted to DEA on a  
4 monthly basis to the local office. That report  
5 was reviewed at the distribution centers and by  
6 Eric Brantley and his team. Anything that looked  
7 out of line warranted an investigation. They  
8 investigated and, if necessary, terminated the  
9 customer.

10 BY MR. PAPANTONIO:

11 Q. Okay. So your testimony is that, yes, we  
12 sure did investigate CVS when we sold them drugs.  
13 Your testimony, Mr. Reardon, is, oh yeah, we  
14 monitored what they did, CVS, with suspicious  
15 orders.

16 Is that your testimony?

17 MR. PYSER: Object to form.

18 A. My testimony is that they were included in  
19 the report.

20 BY MR. PAPANTONIO:

21 Q. Your testimony -- well, I want to be sure  
22 about this now.

23 Your testimony is that Cardinal actively  
24 monitored the sales of CVS pharmacies as far as

1       narcotics drugs that you sold to them. Is that  
2       your testimony?

3                       MR. PYSER: Object to form.

4       A. In my time in anti-diversion, they would  
5       have been part of the ingredient limit report that  
6       we submitted to DEA.

7       BY MR. PAPANTONIO:

8       Q. Did you monitor their conduct, yes or  
9       no?

10                      MR. PYSER: Object to form. Asked  
11       and answered.

12       A. We monitored their sales through the  
13       ingredient limit report.

14       BY MR. PAPANTONIO:

15       Q. And then you -- okay. So we'll go with  
16       that. We'll go with that because we're going to  
17       talk about it right here in this very document.

18                      But as far as you're concerned, you do  
19       believe that -- that you did monitor, and so I  
20       want to be sure about you -- you actually  
21       monitored and actually approved thresholds for  
22       them, the threshold number of drugs that they  
23       could sell, true?

24                      MR. PYSER: Object to form.

1           A.    Not in my time.  The thresholds were  
2    preset.  They weren't individualized to a customer  
3    up until 2007.

4    BY MR. PAPANTONIO:

5           Q.    Tell the jury what a threshold is.

6           A.    Threshold is a quantity of prescription  
7    drug products, primarily controlled substances,  
8    that if a customer hits, it -- it's a red flag  
9    that warrants further investigation.

10          Q.    And you want to -- you want to stick with  
11   this idea that you all had a monitoring system in  
12   place.

13                   Is that your testimony?

14          A.    In my time in anti-diversion up until  
15   2007, the report we used, which was DEA approved,  
16   included chain customers.

17          Q.    The DEA told you that what you were doing  
18   with that system was inadequate, didn't they,  
19   sir?

20          A.    Not --

21                   MR. PYSER:  Object to form.

22          A.    Not until September of 2007.

23   BY MR. PAPANTONIO:

24          Q.    2007, the DEA said, this system that

1       you're using is inadequate, right? They told you  
2       that straight up, didn't they?

3                       MR. PYSER: Object to form.  
4       Misstates testimony.

5       A. They never specifically told us it's  
6       inadequate. They issued additional guidance.

7       BY MR. PAPANTONIO:

8       Q. They told you what you were doing was not  
9       in compliance with the law, yes or no?

10                   MR. PYSER: Object to form.

11       A. They never said that.

12       BY MR. PAPANTONIO:

13       Q. Well, let's look.

14                   MR. PAPANTONIO: Pull up 4444,  
15       please, for this witness. Keep that document you  
16       have open where you are there, but we're going to  
17       jump over here. 4444, give him a copy of it.

18                   MS. MOORE: Reardon 5.

19

20                   (Exhibit No. 5 marked for  
21       identification.)

22

23       BY MR. PAPANTONIO:

24       Q. You see this is 2006. Do you see that?

1           A.     Yes.

2           Q.     And your name is in there with Eric

3     Brantley, Steve Reardon. Do you see that, your

4     name in that big bunch of names down there?

5                     MR. PYSER: Feel free to review the

6     document.

7     BY MR. PAPANTONIO:

8           Q.     And then the first page, you see "Attached

9     find the report detailing the findings of

10    compliance assessment conducted at the

11    pharmaceutical distribution in Birmingham,

12    Alabama, June 26, 29 -- through 29, 2006."

13                    That was a facility that you were supposed

14    to oversee, correct?

15                    MR. PYSER: Vague as to time frame.

16           A.     Correct.

17    BY MR. PAPANTONIO:

18           Q.     And then it says -- if you go to page 2,

19    it says "A regulatory compliance review was

20    conducted at the pharmaceutical distribution

21    Dohmen facility in Birmingham, Alabama."

22                    Do you see that?

23           A.     Yes.

24           Q.     And then if you go to page 4, it says

1 "Executive summary, significant issues." See  
2 where it says "DEA." It's 4444.4, Executive  
3 summary at the top of it, Significant issues:  
4 DEA.

5 It says "DEA theft loss reports are not  
6 submitted to the DEA within seven days of  
7 discovery. Customers were receiving scheduled  
8 product that they were not entitled to receive due  
9 to their DEA registrations not being reviewed and  
10 set up correctly in the computer system."

11 Now, this is one of facilities you're  
12 supposed to be overseeing, right?

13 MR. PYSER: Object to form. Vague  
14 as to time.

15 BY MR. PAPANTONIO:

16 Q. Is it really vague to time? It says 2006  
17 right here. I mean, your lawyer wants to tell  
18 us -- is that vague as to time, 2006?

19 A. So this report --

20 Q. Yes.

21 A. -- is for a facility in Birmingham known  
22 as Dohmen.

23 Q. Right.

24 A. We bought them --

1 Q. Yeah, I know this.

2 A. -- this month, in June --

3 Q. We're going to get to that.

4 A. -- of 2006.

5 MR. PYSER: Let him finish his  
6 answer, Counsel.

7 BY MR. PAPANTONIO:

8 Q. Listen to my question.

9 MR. PYSER: Counsel, let him finish  
10 his answer.

11 BY MR. PAPANTONIO:

12 Q. Listen to my question.

13 MR. PAPANTONIO: I'm going to move  
14 to strike.

15 MR. PYSER: He can finish his  
16 answer.

17 BY MR. PAPANTONIO:

18 Q. Sir, let me phrase the question.

19 First of all, had you seen this prior to coming  
20 here today?

21 A. Yes.

22 Q. Okay. When did you see this?

23 A. When it was initially issued.

24 Q. And so this executive summary that we're



1       talking about here is about a facility in  
2       Birmingham, Alabama that Cardinal was in charge  
3       of, correct?

4           A.     That we just bought.

5           Q.     Right, right. But Cardinal at this time  
6       was selling drugs to these people, true?

7                   MR. PYSER: Object to form.

8           A.     I don't believe we were -- they were a  
9       customer.

10       BY MR. PAPANTONIO:

11          Q.     Well, let's go to the front -- who is --  
12       who is -- Mignette Strife?

13          A.     She's -- she was administrative assistant  
14       to regulatory counsel.

15          Q.     And she's sending this out. She's with  
16       Cardinal, correct?

17          A.     Correct.

18          Q.     And she's what kind of counsel with  
19       Cardinal?

20          A.     Regulatory.

21          Q.     Regulatory counsel.

22                   MR. PYSER: Object to form. Not  
23       counsel. I don't think that's what he said. He  
24       never called her counsel.

1 BY MR. PAPANTONIO:

2 Q. Okay. It says "Attached please find the  
3 report detailing the findings of the compliance  
4 assessment conducted at the pharmaceutical  
5 distribution center in Birmingham, Alabama.

6 Now, she's writing about a facility in  
7 Birmingham, Alabama, right? It says "This report  
8 is confidential and should not be reproduced. The  
9 recipient is responsible for its security and  
10 should destroy it."

11 Wow. Did you get a copy of this? Did you  
12 destroy your copy?

13 A. I don't recall.

14 Q. Well, this -- this is supposed to be  
15 destroyed.

16 MR. PYSER: Object.

17 BY MR. PAPANTONIO:

18 Q. Was that a common thing, for you to be  
19 sent documents from management or anybody with the  
20 company saying, look, after you read this, destroy  
21 it. I guess you could chew it up or set it on  
22 fire. What was your way of -- well, let me strike  
23 that.

24 What was your way of destroying documents?

1       What method did you use to destroy documents?

2           A.     Shred them.

3                   MR. PYSER:   Object.

4       BY MR. PAPANTONIO:

5           Q.     You would shed them, okay.   So Cardinal --  
6       in-house, you didn't burn --

7                   MR. PYSER:   Object to form.

8       BY MR. PAPANTONIO:

9           Q.     -- you shredded documents, correct?

10                  MR. PYSER:   Object to form.

11       BY MR. PAPANTONIO:

12           Q.     True?   I'm just trying to figure out --

13           A.     Personally?

14           Q.     The way to do it was to shred it, true?

15                  MR. PYSER:   Object to form.

16           A.     For me personally.

17       BY MR. PAPANTONIO:

18           Q.     For you personally.   And so this --

19       according to this, this is saying this recipient

20       is responsible for its security and should destroy  
21       and delete.

22                  Do you remember whether you shredded this  
23       one?

24           A.     I don't recall.

1 Q. All right. But it says -- in the  
2 executive summary, it says "Significant issues."

3 We went through customers receiving  
4 scheduled products that they were not entitled to  
5 receive due to their DEA registrations not being  
6 reviewed and set up correctly in the computer  
7 system.

8 Then it says "DEA Schedule II paperwork is  
9 not kept separate from other documents." Then it  
10 goes "There is no" -- I want to make sure I get  
11 this right.

12 MR. PAPANTONIO: Underline this for  
13 me, would you, ma'am?

14 BY MR. PAPANTONIO:

15 Q. It says "There's no system to determine  
16 excessive suspicious ordering by customers of  
17 controlled substance products." That's what that  
18 says, right?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. There is no system to determine excessive  
22 or suspicious ordering by customers of controlled  
23 substances, right?

24 A. Right.

1 Q. And that's consistent with that document I  
2 showed you where the fellow from McKesson was  
3 saying that you told him straight up that there  
4 was no monitoring system at Cardinal?

5 MR. PYSER: Object.

6 BY MR. PAPANTONIO:

7 Q. It's at least consistent with that?

8 MR. PYSER: Object to form.

9 Misstates evidence.

10 A. So this, again, is our first visit to a  
11 newly-acquired company for the purpose of  
12 evaluating their existing programs and then  
13 putting together a corrective action plan to bring  
14 them to Cardinal's standards.

15 BY MR. PAPANTONIO:

16 Q. Well, we're going to talk about what the  
17 correction plan was here in just a second, okay.  
18 We're going to talk about whether or not your  
19 corrective action worked, all right. And to do  
20 that, we're going to go back to the very document  
21 we've been talking about, 4085.

22 MR. PYSER: Object to form of the  
23 speech and colloquy by counsel.

24 BY MR. PAPANTONIO:

1           Q.    It says -- back on page 7 of that  
2   document, it says -- okay.  So first of all, I  
3   want to be clear on something.  1971 was the first  
4   time that the company was told what the rules are,  
5   CFR, in selling narcotic drugs, 1971, correct?

6           A.    Correct.

7           Q.    And then this is talking about 2006.  Tell  
8   me about -- was there anything in between 1971 and  
9   2006 where the DEA contacted you and told you what  
10  you were supposed to do?

11          A.    I don't recall.

12          Q.    Well, 2006 comes next.  And then we go  
13  down here, "DEA" -- very last paragraph, "DEA sent  
14  a similar letter to all distributors" --very last  
15  paragraph, "DEA sent a similar letter to all  
16  distributors including respondent" -- which is  
17  Cardinal, correct?  Correct?

18          A.    Correct.

19          Q.    -- "on December 27, 2007.  The letter  
20  reminded distributors of their obligation to  
21  maintain effective controls against diversion and  
22  emphasized it is the sole responsibility of the  
23  registrant."

24                    Would you underline that for me, please,

1 "the sole responsibility of the registrant"?

2 In other words, sir, you -- it would be  
3 improper for you to delegate a responsibility to a  
4 pharmacy to do your job for you. They -- your job  
5 was separate from their job as far as selling  
6 narcotics correct?

7 MR. PYSER: Object to form.

8 A. Correct.

9 BY MR. PAPANTONIO:

10 Q. You don't delegate your responsibility  
11 under CFR to somebody else. You couldn't do that,  
12 true?

13 A. Correct.

14 Q. And to do that would be illegal?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Correct?

18 A. It would be a violation if we didn't meet  
19 the requirements of the regulation.

20 Q. Let's go back to speeding tickets. A  
21 speeding ticket is a violation and it's illegal,  
22 isn't it?

23 MR. PYSER: Asked and answered.

24 BY MR. PAPANTONIO:

1 Q. Correct?

2 A. Speeding is, correct.

3 Q. And you get a ticket. That means you've

4 broken the law, true?

5 MR. PYSER: Object to form.

6 A. True.

7 BY MR. PAPANTONIO:

8 Q. And here you have a regulation. And if

9 you don't follow it, you've broken the law,

10 correct?

11 MR. PYSER: Object to form.

12 A. Violated the regulation.

13 BY MR. PAPANTONIO:

14 Q. Yeah. Okay. So let's go to page 8.

15 Halfway down it says "In addition to DEA" -- "In

16 addition, DEA offers a variety of conferences

17 which are opened up to DEA registrants, including

18 distributors."

19 In fact, records indicate that Cardinal

20 Health sent three representatives including

21 Mr. Mone, Mr. Reardon to the DEA's pharmaceutical

22 industry conference October 2009.

23 So you attended -- at least we know that

24 you attended the one in 2009 that DEA gave about



1       how a distributor should avoid breaking the law  
2       where it comes to selling narcotics, correct?

3                       MR. PYSER: Object to form.

4       A.    I was at the conference.

5       BY MR. PAPANTONIO:

6       Q.    Actually, you had DEA agents face-to-face.  
7       You had a chance the talk to them face-to-face,  
8       didn't you?

9       A.    If the opportunity presented, yes.

10      Q.    Did it present itself?

11      A.    I know at some conferences I interacted  
12      with DEA investigators. I don't recall if I  
13      specifically did at this one.

14      Q.    Then the bottom paragraph -- it says "DEA  
15      also provides presentations and holds meetings  
16      with the industry trade group HDMA" -- Healthcare  
17      Distribution Management Association, HDMA -- "of  
18      which Cardinal is an active member."

19               Now, you actually went to HDMA meetings,  
20      didn't you?

21      A.    Yes.

22      Q.    And Cardinal truly was an active member as  
23      this says. You were an active member in HDMA,  
24      correct?

1 A. Correct.

2 Q. Between May 6, 2008 and December 31, DEA  
3 representatives gave presentations and held  
4 meetings with HDMA in Maryland, District of  
5 Columbia, and Florida and Virginia on 11  
6 occasions.

7 Did you go to any of these DEA meetings  
8 where they said, okay, these are the rules you got  
9 to play by?

10 MR. PYSER: Object to form.

11 A. I would say I was an attendee at at least  
12 some of them.

13 BY MR. PAPANTONIO:

14 Q. Do you remember being an attendee? Do you  
15 remember they gave PowerPoints and showed you  
16 specifics about what you could and couldn't do as  
17 a distributor?

18 MR. PYSER: Object to form.

19 A. That was essentially their agenda at every  
20 meeting, so I can't speak specifically to any of  
21 these meetings.

22 BY MR. PAPANTONIO:

23 Q. We have some of their PowerPoints we'll  
24 talk about this afternoon.

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Okay. Next question.

4 "Cardinal Health is one of nation's  
5 largest wholesale pharmaceutical distributors.  
6 Cardinal Health distributes pharmaceuticals,  
7 including oxycodone and medical products, for  
8 dispensing and retail sale.

9 "From January through December 2010,  
10 Florida distributors distributed 597,215,253  
11 dosage units of OxyContin to retail registrants."

12 Those would be your customers, right,  
13 retail registrants?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Correct?

17 A. Correct.

18 Q. It says "Respondent" -- that's Cardinal,  
19 correct?

20 MR. PYSER: Object to form.

21 A. Correct.

22 BY MR. PAPANTONIO:

23 Q. "Respondent distributed 132,281,020 dosage  
24 units of the total oxycodone distributed or

1 approximately 22 percent of the total 2010 Florida  
2 distributions."

3 Do you remember those numbers being that  
4 high?

5 A. I do not.

6 Q. But were you the person that were -- first  
7 of all, you were in charge of -- let's just call  
8 it quality -- what do you want to call it, quality  
9 review? When you were with working with Brantley,  
10 what was that job? What did you call the job, so  
11 we can use the same term?

12 A. Anti-diversion.

13 Q. Anti-diversion. Okay. And then you went  
14 to -- after that, you're overseeing all the  
15 distributorships, correct?

16 MR. PYSER: Object to form. Object  
17 to form.

18 A. Correct.

19 BY MR. PAPANTONIO:

20 Q. One of the distributorships is right there  
21 in Florida, Lakeland, Florida, correct?

22 A. Correct.

23 Q. And you don't remember these numbers that  
24 it's talking about, 132 million dosage units of

1       oxycodone?

2           A.     The numbers would have been reviewed by  
3       the centralized anti-diversion program.

4           Q.     But you saw them, too?

5           A.     I did not.

6           Q.     You saw them day-to-day come across your  
7       desk, didn't you?

8                   MR. PYSER:   Object to form.

9           A.     No.

10       BY MR. PAPANTONIO:

11           Q.     So you -- is that number -- is that  
12       number -- well, let me ask you this way:  Do you  
13       remember the numbers in Florida being higher than  
14       most other places?

15           A.     I wouldn't have any knowledge of that.

16           Q.     So they didn't -- so whatever group was  
17       looking at that, you're saying you weren't in that  
18       group, correct?  You had nothing to do with  
19       numbers?

20                   MR. PYSER:   Objection.

21       BY MR. PAPANTONIO:

22           Q.     You didn't look at thresholds or anything  
23       like that, true?

24                   MR. PYSER:   Objection.  Vague as to

1 time.

2 A. Correct.

3 BY MR. PAPANTONIO:

4 Q. So the people that were, they didn't share  
5 with quality -- they didn't share with  
6 anti-diversion what the numbers were. Is that  
7 your testimony?

8 MR. PYSER: Objection. Vague as to  
9 time.

10 A. No, anti-diversion would see the numbers,  
11 not me.

12 BY MR. PAPANTONIO:

13 Q. Well, that's what I mean. You worked in  
14 anti-diversion?

15 A. Not at this time.

16 Q. At any time that you worked in  
17 anti-diversion, you saw the numbers, yes or no?

18 MR. PYSER: Objection.

19 BY MR. PAPANTONIO:

20 Q. You saw the numbers, didn't you?

21 MR. PYSER: Objection. Form.

22 A. No.

23 BY MR. PAPANTONIO:

24 Q. Okay.

1 A. No.

2 Q. So your testimony is that you never saw  
3 the numbers of what was being sold throughout the  
4 country when you were working in anti-diversion?

5 MR. PYSER: Objection. Form.  
6 Misstates testimony.

7 BY MR. PAPANTONIO:

8 Q. Is that your testimony, that Reardon never  
9 saw the numbers of the -- numbers of narcotics  
10 that were being sold throughout the country when  
11 he was working in anti-diversion? Is that your  
12 testimony?

13 A. I did not review the reports.

14 Q. Did you know the numbers, is my question  
15 to you, yes or no? It's real simple.

16 MR. PYSER: Object.

17 BY MR. PAPANTONIO:

18 Q. Yes or no?

19 MR. PYSER: Object to form.

20 A. No.

21 BY MR. PAPANTONIO:

22 Q. Okay. And then, if I understand you  
23 right, you didn't even know the numbers when you  
24 were the person in charge of the distributorships

1 all over the country. You didn't know the numbers  
2 there either, did you?

3 MR. PYSER: Object to form. Vague.

4 BY MR. PAPANTONIO:

5 Q. Yes or no?

6 MR. PYSER: Unclear what it means,  
7 "in charge of the distributorships."

8 BY MR. PAPANTONIO:

9 Q. When you took your job in -- overseeing  
10 distributorships, sir, you're telling the jury, if  
11 I understand, you didn't see the numbers there  
12 either, did you?

13 MR. PYSER: Object to form.

14 A. I was not -- when you say in charge of the  
15 distributorships --

16 BY MR. PAPANTONIO:

17 Q. No, you said that.

18 A. I said I was in charge of facilitating  
19 regulatory compliance. I was not in charge of  
20 operations or sales.

21 Q. But, sir, regulatory and compliance is  
22 exactly what we're talking about here. Regulatory  
23 and compliance means that you have to get involved  
24 when the facility is selling too many narcotics to



1 the people around them, yes or no?

2 MR. PYSER: Object to form.

3 A. It's the responsibility of anti-diversion  
4 to monitor the sales and the distribution centers.

5 BY MR. PAPANTONIO:

6 Q. You told me just a minute ago that when  
7 you were working for the anti-diversion you never  
8 saw the numbers?

9 A. It was delegated to Eric Brantley and his  
10 team.

11 Q. You were head of that division, weren't  
12 you? You were in charge of -- Brantley worked for  
13 you in anti-diversion true?

14 MR. PYSER: Object to form.

15 A. True.

16 BY MR. PAPANTONIO:

17 Q. And you're telling me that as -- that you  
18 never saw the numbers of narcotics that were being  
19 sold by your company and your role was  
20 anti-diversion.

21 Did I just get that right?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. I mean, seriously, did I just get that

1 right?

2 A. That was part of my role.

3 Q. Listen to what I said. You're telling  
4 this jury right here -- you're telling the jury  
5 that in your role of being in charge of  
6 anti-diversion, that Steve Reardon never saw the  
7 numbers of what was being sold in this country.  
8 Yes or no?

9 MR. PYSER: Object to form.

10 A. Yes.

11 BY MR. PAPANTONIO:

12 Q. That's -- in other words, that's your  
13 testimony?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Correct?

17 A. Correct.

18 Q. And then you're also telling me that when  
19 you took over the position of being in charge of  
20 distribution centers -- regulatory for  
21 distribution centers, you never saw the numbers  
22 there either, right?

23 MR. PYSER: Object to form.

24 A. Correct.

1 BY MR. PAPANTONIO:

2 Q. And you know that the DEA concluded that  
3 all of Cardinal's distribution centers had  
4 breached their responsibility for following the  
5 law. You know that.

6 MR. PAPANTONIO: Give me 42 -- give  
7 me 4230, please.

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. You know that DEA actually came out and  
11 said that the conduct at Cardinal was so bad that  
12 all of the distribution centers had breached the  
13 law?

14 MR. PYSER: Object to form.  
15 Misstates evidence.

16 BY MR. PAPANTONIO:

17 Q. Did you know that?

18 MR. PYSER: Object to form.  
19 Misstates evidence.

20 BY MR. PAPANTONIO:

21 Q. Did you know that, yes or no? Did you  
22 know that prior to coming here today?

23 MR. PYSER: Object to form.  
24 Misstates evidence.

1           A.     Would you repeat that?

2       BY MR. PAPANTONIO:

3           Q.     Did you know that the DEA said that all  
4     the distribution facilities that -- throughout the  
5     country, that you had -- that you had maintained  
6     inadequate controls where it comes to diversion?

7           A.     I would need to see the document.

8                       MS. MOORE:   Reardon 6.

9  
10                      (Exhibit No. 6 marked for  
11     identification.)

12  
13                      MR. PYSER:   Object to form.

14       BY MR. PAPANTONIO:

15           Q.     Now, you see, I mean, you've -- you've  
16     seen this document haven't you, sir?

17           A.     Yes.

18           Q.     And you know what I just said is in this  
19     document, that all of the distributorships in this  
20     country -- well, let me just make it even easier.  
21     How about let's just go -- go to page 3.

22                      All right.   It says "The alleged failure  
23     of Cardinal to maintain an adequate controls  
24     against the diversion of controlled substances on

1 or prior -- on or prior to September 2008 at all  
2 distribution facilities listed in Appendix A."

3 And then it even lists -- let's look at  
4 Appendix A, page 13. Flip to page -- flip to page  
5 13. Bottom of the page, you'll have 1-3.

6 It actually lists all of the facilities  
7 that were not in compliance with the law. Is this  
8 the first time you have you've seen this?

9 MR. PYSER: Object to form.  
10 Misstates evidence. Rule of completeness.

11 BY MR. PAPANTONIO:

12 Q. Have you seen that before?

13 A. Yes. Now, my understanding of this is  
14 that this is covered conduct, not that these  
15 facilities actually had any allegations  
16 specifically against them.

17 Q. Well --

18 A. This was just part of the agreement that,  
19 on a go-forward basis, any historical issues were  
20 taken care of.

21 Q. Well, let's read it. I mean, the document  
22 kind of says what it says. It's -- on page 3, it  
23 says "The alleged failure of Cardinal to maintain  
24 adequate controls against diversion of controlled

1 substances on or prior to September 2008 at all  
2 distribution centers facilities."

3 All of them. Do you see that?

4 MR. PYSER: Same objections.

5 BY MR. PAPANTONIO:

6 Q. Now, I want to ask you about page 13.

7 You -- what was your involvement with overseeing  
8 the Syracuse, New York distribution center prior  
9 to 2008?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. What was your role?

13 A. Same role. Regulatory compliance in the  
14 distribution centers.

15 Q. And how about Lakeland, Florida? What was  
16 your role?

17 A. Same.

18 Q. Madison, Wisconsin, what was your role?

19 A. Same.

20 Q. All of these, you just -- let's make it  
21 easier. Which one of these did you not have a  
22 responsibility for? Let's just go through them.  
23 Which one of these did you not have responsibility  
24 for as far as overseeing whether or not regulatory

1 was proper or improper?

2 MR. PYSER: Object to form.

3 A. It would have been all of them.

4 BY MR. PAPANTONIO:

5 Q. It would have been all of them, correct?

6 A. Correct.

7 Q. All right. So let's go back to Document  
8 4085. We've been talking about the DEA  
9 investigation of Cardinal. Do you recall that,  
10 the one in front of you?

11 A. Yes.

12 Q. So I left off with "Respondent," which is  
13 Cardinal. In that middle paragraph, "Respondent  
14 distributed 132 million dosage units of the total  
15 oxycodone distributed at approximately 22 percent  
16 of the total 2010 Florida distributions. From  
17 January through December 2011, Florida distributed  
18 572,274 dosage units of oxycodone to retail  
19 registrants in the State of Florida.  
20 "Respondent" -- again that's Cardinal --  
21 "distributed 146 million dosage units of the total  
22 OxyContin distributed or 25 percent of the total  
23 2011 distribution."

24 Now, here's my question: Were you ever

1       aware of what market percentage Cardinal had in  
2       Florida prior to you seeing this document?

3                       MR. PYSER:   Object to form.

4           A.     No.

5       BY MR. PAPANTONIO:

6           Q.     Were you ever aware of what market  
7       percentage that Cardinal had of the national sales  
8       of narcotics prior to being here today?

9           A.     Not a specific number.

10          Q.     Well, what's the number do you think?

11                   MR. PYSER:   Counsel, let's take a  
12       break when you get to logical breaking point.

13                   MR. PAPANTONIO:   Well, we can break  
14       right here.   We'll pick up from this.

15                   MR. PYSER:   Let's strike the  
16       question so that we're --

17                   MR. PAPANTONIO:   Strike the  
18       question.   I'll pick up.

19                   THE VIDEOGRAPHER:   Time is 10:32  
20       a.m. and we're off the record.

21                   MR. PAPANTONIO:   Sir, I do want to  
22       be clear.   I have a pending question right now.  
23       The pending question -- before we take a break --  
24       here's why I'm doing it.   You're not supposed to



1 talk to counsel about a pending question, so the  
2 pending question that I want to pose here for you  
3 is -- we're talking about the numbers of narcotics  
4 sold throughout the country at various  
5 distribution centers, and I'm asking questions  
6 about that.

7 MR. PYSER: I object to counsel's  
8 colloquy or any instruction to the witness.  
9 Counsel struck the question. There is no pending  
10 question.

11 MR. PAPANTONIO: No. That's a --  
12 well, let me ask him before we leave, okay?

13 MR. PYSER: No. You already took a  
14 break. We're off the record.

15 MR. PAPANTONIO: Well, sir, if you  
16 talk to him about what we talked about --

17 MR. PYSER: Counsel, we're not going  
18 to do anything improper. We've never done  
19 anything improper.

20 You have no reason for this and the game  
21 playing is ridiculous. The game playing is  
22 ridiculous. You struck the question. There's no  
23 pending question.

24 MR. PAPANTONIO: Well, here's --

1 MR. PYSER: Counsel, we're done  
2 here.

3 MR. PAPANTONIO: The company has  
4 committed --

5 MR. PYSER: That's ridiculous.

6 MR. PAPANTONIO: -- criminal  
7 conduct.

8 MR. PYSER: Enough, enough.

9 MR. PAPANTONIO: So we'll get back  
10 here in about ten minutes.

11

12 (Recess was taken from 10:36 a.m. to 10:46 a.m.)

13

14 THE VIDEOGRAPHER: 10:46 a.m. On  
15 the record.

16 BY MR. PAPANTONIO:

17 Q. Sir, now we left off talking about  
18 numbers. And I'm assuming that there's been no  
19 discussion about numbers with you and your  
20 attorney during the break?

21 A. No, no discussion.

22 Q. Okay. All right. So as far as numbers,  
23 did you keep up with the numbers of dead people  
24 who were dying of opioid overdoses over the years,

1 just curious?

2 MR. PYSER: Object to form.

3 A. Did not.

4 BY MR. PAPANTONIO:

5 Q. Okay. So you didn't keep up with the

6 numbers of narcotics that were sold by your

7 company. You told us that --

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. -- true?

11 A. True.

12 Q. You didn't keep up with those numbers in

13 either job that you had, which the first one was

14 regulatory quality control --

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. -- correct?

18 A. Quality and regulatory affairs.

19 Q. And then you didn't keep up with those

20 numbers when you were -- when you were heading up

21 your role of overseeing distribution centers all

22 over the country?

23 A. Just to clarify that, the DC operations

24 piece, I was not in charge of the DC. My team

1 created policies and procedures to facilitate  
2 compliance with other DEA regulations and Board of  
3 Pharmacy regulations. It was around physical  
4 security, making sure the physical security was in  
5 place --

6 Q. Right.

7 A. -- making sure that they had the  
8 appropriate inventory processes in place.

9 Q. All right.

10 A. It -- recordkeeping.

11 Q. And so you -- the number of distribution  
12 centers throughout the country, you told us -- how  
13 many distribution centers were there?

14 A. It varied at times, but it was in the  
15 twenties.

16 Q. In the twenties?

17 A. Yes.

18 MR. PAPANTONIO: And so show him  
19 Document 324, please.

20 MS. MOORE: Reardon 7.

21

22 (Exhibit No. 7 marked for  
23 identification.)

24

1 BY MR. PAPANTONIO:

2 Q. Now, sir, when did you first see this  
3 document that I just handed you? When's the first  
4 time you saw this document?

5 A. (Witness reviews document.)

6 I've never seen this.

7 Q. No. I mean, while you were working for  
8 Cardinal, when's the first time you saw it?

9 MR. PYSER: Object to form. Asked  
10 and answered.

11 A. I did not see it.

12 BY MR. PAPANTONIO:

13 Q. This is the first time you've seen the  
14 document?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Is that correct?

18 A. Correct.

19 MR. PAPANTONIO: Would you put up --  
20 or put up on the slide 324.18, please?

21 BY MR. PAPANTONIO:

22 Q. And that will be -- if you'll take a look  
23 at 1, 8, sir, 1, 8 -- .18 is what we're looking  
24 for there.

1 Well, no, I'll tell you what. You know,  
2 back up. Just since he's never seen it, I want to  
3 make sure it's clear. Go ahead and back up to the  
4 first one, 1999.

5 Now, you see 1999. Take a look at what  
6 1999 looks like up there on the screen. Do you  
7 know what -- do you know what the colors here  
8 mean? Take a look. Take a minute and take a look  
9 at the what the colors mean?

10 MR. PYSER: Object to form on the  
11 prelude and colloquy.

12 BY MR. PAPANTONIO:

13 Q. Do you see where it says "Estimated age  
14 adjusted death rate per 100,000 people"?

15 Do you see that?

16 A. Yes.

17 Q. And you see the very bottom of it, it says  
18 "30+."

19 Do you see that?

20 A. Yes.

21 MR. PYSER: Objection to the use of  
22 this document. Standing objection to the use of  
23 this document. Improper. Misleading.

24 BY MR. PAPANTONIO:

1 Q. And then you also see -- at the bottom of  
2 it, this says "The national" -- "The national  
3 center for health statistics, national vital  
4 statistics, mortality data." And then it even  
5 gives a site you can go to right on the Internet.

6 Do you see that, www? Do you see that?

7 A. Yes.

8 Q. And then it even gives citations, doesn't  
9 it? Do you what the CDC is?

10 A. Center for Disease Control.

11 MR. PYSER: Objection.

12 BY MR. PAPANTONIO:

13 Q. You've reviewed information about Center  
14 for Disease Control in the past, correct?

15 A. Possibly.

16 Q. Well, tell us why you would. I mean,  
17 Center for Disease Control is an organization that  
18 kept up with the drug overdose problem in the  
19 United States.

20 You know that, right? Did you know that?

21 A. I did not.

22 Q. Did you know that you could just make a --  
23 you could just make a telephone call to CDC to  
24 find out what statistics are of dead people from

1       opioid use throughout the United States?

2                               MR. PYSER: Object to form.

3       BY MR. PAPANTONIO:

4               Q.     Did you know that?

5               A.     I did not.

6               Q.     Did you know that they had a website that  
7       they actually -- anybody could go to the website  
8       and they could say, wow, people are really dying  
9       in Florida. They had a site that could -- they  
10      could show them how many people were dying,  
11      right?

12                       MR. PYSER: Object to form.

13      BY MR. PAPANTONIO:

14              Q.     You didn't know that?

15              A.     Did not.

16              Q.     And in either of your jobs, you didn't  
17      know that, did you?

18                       MR. PYSER: Object to form.

19              A.     Did not.

20      BY MR. PAPANTONIO:

21              Q.     And as a matter of fact, if we take  
22      these -- let's go back to -- we have a list up  
23      here.

24                       MR. PAPANTONIO: Show him the just



1 the plain document of the distribution sites.

2 BY MR. PAPANTONIO:

3 Q. I want to ask you this -- a question about  
4 that, just the distribution sites. I want to make  
5 sure that these are correct, these distribution  
6 sites are correct.

7 Take a look at these distribution sites,  
8 sir. And tell me, does that look a fair and  
9 accurate representation of what you recall about  
10 where the distribution sites were in the country?  
11 Take a minute to look at that.

12 A. (Witness reviews document.)

13 MR. PYSER: Object to form.

14 A. Yes, with -- may have been some changes  
15 since my time, openings, closings, but it's fair.

16 BY MR. PAPANTONIO:

17 Q. But the -- so these would have been most  
18 of the sites that you were involved with in  
19 working and overseeing distribution sites,  
20 correct?

21 A. Again, I clarify that I didn't oversee the  
22 distribution. It was facilitating compliance with  
23 DEA, Board of Pharmacy, FDA, through the  
24 development of policies, procedures and processes

1 tied to physical security, recordkeeping,  
2 inventory management, receiving, pick-packing and  
3 shipping, transportation.

4 Q. Right. And so let's -- so -- but you  
5 recognize these sites, right?

6 A. Right.

7 Q. And now, let's take that map. Would you  
8 go to the last -- I think it's .18, it's 2016.  
9 Now, were you with the company in 2016?

10 A. What was the --

11 Q. It's .18. It's 324.18.

12 A. Okay.

13 Q. It's up here on the screen, too. What I  
14 have on the screen is what you're looking at,  
15 right, 2016?

16 A. Yes.

17 Q. And you see it says "Estimated age  
18 adjusted death rate per 100,000."

19 You see that?

20 MR. PYSER: For clarification,  
21 that's different than what's on the screen right  
22 now.

23 MR. PAPANTONIO: Well, okay.

24 BY MR. PAPANTONIO:

1 Q. This is -- this is a representation of  
2 what you're looking at here. That's my point.  
3 Look at that, then look at the screen. Same  
4 thing, isn't it?

5 MR. PYSER: Object to form.

6 A. Similar.

7 BY MR. PAPANTONIO:

8 Q. Yes. All right. Well, now let's -- what  
9 I want to do is I want to put the distribution  
10 sites -- I want to superimpose them on this screen  
11 and then ask you, do you understand, as you look  
12 at this -- as you look at this document, you  
13 understand what brown represents, what the color  
14 brown represents?

15 A. Yes.

16 Q. And if you look the map up here, do you  
17 see that you had distribution sites virtually in  
18 every area where there's brown?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Do you see that?

22 A. I guess I've got a question because this  
23 talks to, as I look at the citation, drug  
24 poisoning mortality.

1 Q. Yes.

2 A. There's got to be more than just legal  
3 drugs in here, so -- so it could be inflated in  
4 some sense.

5 Q. It could be. But you've never even seen  
6 it, so you can't give an opinion one way or  
7 another, can you?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Right?

11 A. I guess I could question what's included.

12 Q. Well, by the time this is seen by a jury,  
13 there will be an expert that talks about this that  
14 actually did review the numbers that you never  
15 reviewed, okay.

16 So it's safe to say you wouldn't know one  
17 way or another whether this is accurate or not  
18 because you never even reviewed the numbers,  
19 true --

20 MR. PYSER: Object to form.

21 BY MR. PAPANTONIO:

22 Q. -- of death -- of dead people?

23 A. I didn't say it wasn't accurate. I was  
24 just questioning what types of drugs were

1 included.

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. Had you ever seen -- have you ever seen a  
5 map where your distribution centers are  
6 superimposed on the areas where they have the  
7 highest level of death in the United States?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Have you ever seen that?

11 A. No.

12 Q. First time you've seen it, isn't it?

13 MR. PAPANTONIO: Offer -- make sure  
14 we offer a copy of that. Thank you, sir.

15 BY MR. PAPANTONIO:

16 Q. Now, we're going to go back -- again,  
17 talking about numbers here. So these numbers --  
18 we just established you didn't know the numbers in  
19 your first job -- well, you didn't know the  
20 numbers of what was being sold by Cardinal in your  
21 first job, which dealt with -- you want -- put it  
22 in your words. Your first job with Cardinal was  
23 what?

24 A. Very first job --

1 Q. Yes.

2 A. -- going all the way back to 1988?

3 Q. Yes.

4 A. I was hired as a manager of security and  
5 compliance in their Peabody, Mass distribution  
6 center.

7 Q. Okay. And then around 2005 what was your  
8 job?

9 A. I had relocated to Dublin, Ohio, and took  
10 on a corporate role prior to that, and it was  
11 quality and regulatory affairs.

12 Q. Okay. Stop right there. In quality and  
13 regulatory affairs, you did not ever review the  
14 numbers of narcotics being sold in the United  
15 States, correct?

16 MR. PYSER: Object to form.

17 A. Correct.

18 BY MR. PAPANTONIO:

19 Q. Tell us your job after that.

20 A. Transitioning from 2007?

21 Q. Uh-huh.

22 A. 2007, I moved away from anti-diversion and  
23 strictly focused on regulatory compliance,  
24 facilitating compliance in the distribution

1 centers, regulations tied to DEA, Boards of  
2 Pharmacy, FDA, Department of Transportation,  
3 creating policies, procedures, to facilitate that  
4 compliance primarily tied to DEA physical  
5 security, DEA recordkeeping, procedural security  
6 around how to handle controlled substances.

7 MR. PAPANTONIO: Okay. And so as a  
8 matter of fact, show him, please, Document No.  
9 4622.

10  
11 (Exhibit No. 8 marked for  
12 identification.)  
13

14 MS. MOORE: Reardon 8.

15 BY MR. PAPANTONIO:

16 Q. What is this, sir?

17 A. (Witness reviews document.)

18 Q. You prepared this, didn't you?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Well, it says "Role profile, vice  
22 president." Now let me make sure we get this  
23 right.

24 Underline -- I mean highlight vice

1     president, anti-diversion and supply chain  
2     integrity. That's your role. That's what this  
3     document says, correct? Your role is vice  
4     president -- this is 2008 we're talking about --  
5     anti-diversion and supply chain integrity.

6             That's what that document says?

7             MR. PYSER: Object to form.

8     A.     Then this would not have been my role.

9     Q.     Well --

10    A.     2008, no.

11    Q.     Let's read on with it. Okay. It says  
12    "Role title, vice president, anti-diversion supply  
13    chain integrity." Then it goes, "Primary purpose  
14    of job family."

15             What is job family?

16    A.     Job family would be all of those jobs that  
17    fall under quality and regulatory affairs.

18    Q.     Okay. "Lead program, investigations, and  
19    training as mandated by Cardinal Health  
20    anti-diversion compliance pharmacy."

21             You actually led programs, didn't you, in  
22    anti-diversion?

23             MR. PYSER: Object to form.

24    A.     Not in 2008.



1 Q. What year did you do that?

2 A. Up until 2007.

3 Q. Up until 2007. And then "Establish, lead,  
4 and develop the anti-diversion organization within  
5 healthcare supply chain services."

6 What years did you do that?

7 MR. PYSER: Object to form.

8 A. Up until 2007.

9 BY MR. PAPANTONIO:

10 Q. "Lead and establish and deployment of  
11 Cardinal Health anti-diversion programs, systems,  
12 and processes associated with requirements related  
13 to Drug Enforcement Administration."

14 Did you do that?

15 A. Up until 2007.

16 Q. And then it says "Establish programs to  
17 monitor anti-diversion activities."

18 Did you do that?

19 A. We had a program in place.

20 Q. Well, it says establish it. Right there  
21 it says "Establish programs to monitor  
22 anti-diversion activities," right?

23 MR. PYSER: Object to form.

24 A. As I read this, this would have been the

1 job profile for the position that Michael Mone  
2 went into.

3 BY MR. PAPANTONIO:

4 Q. Okay. But you -- you did that position  
5 yourself, didn't you? These are positions you did  
6 yourself, correct?

7 A. This is a new role profile.

8 Q. Well, let's be sure. I want to make sure  
9 that you understood what you were supposed to do.

10 MR. PAPANTONIO: Show him document  
11 3750, please.

12

13 (Exhibit No. 9 marked for  
14 identification.)

15

16 MS. MOORE: Reardon 9.

17 MR. PYSER: Counsel, we're going to  
18 object and take a break until we can see whether  
19 this document is privileged. Put the document  
20 down.

21 MR. PAPANTONIO: We're not going to  
22 take a break. We're going to move on. You all  
23 look at it. We'll move on to another -- we're not  
24 going to take any more breaks until I call the

1 break, okay?

2 MR. PYSER: We're clawing back this  
3 document then.

4 MR. PAPANTONIO: Look at it right  
5 now. We're not going to claw it back. We're  
6 going to talk about this document because right  
7 now what he's saying is inconsistent with this  
8 document.

9 MR. PYSER: If we claw it back --

10 MR. PAPANTONIO: You know that and  
11 we're going to talk about.

12 MR. PYSER: If we claw it back  
13 you're not going to use it.

14 MR. PAPANTONIO: We are going to use  
15 it, okay. So you take a minute. You do what you  
16 want to do, review any document. I'm going to put  
17 it on the record. And then if you want to remove  
18 it from the record after that, we can, but we're  
19 going to talk about this document.

20 MR. PYSER: We'll determine how to  
21 you do it once we make our decision on what the  
22 document is.

23 BY MR. PAPANTONIO:

24 Q. Sir, we're going to go back. And before

1 we go into that document, I want to ask you  
2 something.

3 You understood, sir -- in 2007, it was  
4 clear to you that you were QRA VP with  
5 anti-diversion and other regulatory  
6 responsibilities. 2005 to 2007, you knew that,  
7 right?

8 A. Correct.

9 Q. And you knew -- you had been told that --  
10 DC staff to identify and report potentially  
11 suspicious or excessive purchases of controlled  
12 substances after shipment. You knew that was part  
13 of what the DC staff did, right, to identify and  
14 report potentially suspicious or excessive  
15 purchases of controlled substances? That's what  
16 the DC staff did. You knew that, right?

17 A. That was an expected role.

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. And that's the role you took after you  
21 left your first role, correct?

22 A. No.

23 Q. You -- didn't you just tell us you worked  
24 with DC? After 2007, didn't you go to work with

1 DC?

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. Didn't you tell us that?

5 A. Yes, but I explained to you what my role  
6 was and what it covered.

7 Q. Well, it says "DC staff to identify and  
8 report potentially suspicious or excessive  
9 purchases of controlled substances."

10 You didn't know that was your job? Is  
11 that what you're telling me?

12 A. No. That's -- that's a cage-involved  
13 process where employees are trained during the  
14 auto-filling process. If they see something out  
15 of the ordinary, they can stop that order, work  
16 with a supervisor, investigate it, and call DEA,  
17 if necessary --

18 Q. And were you --

19 A. -- so yes.

20 Q. -- were you involved in training other  
21 employees, how to keep up with suspicious orders?

22 A. That would have been delegated.

23 Q. Who was it delegated to?

24 A. Different members of my staff.

1 Q. Okay. But were you in charge of the staff  
2 that was supposed to be in charge of training,  
3 correct?

4 A. Certain regulatory training.

5 Q. And regulatory training was -- had to do  
6 with whether or not Cardinal was breaking the law  
7 in the way that it was selling narcotics in the  
8 United States, correct?

9 You were supposed to train people to  
10 identify when Cardinal is or is not breaking the  
11 law as far as regulatory standards, correct?

12 A. We had --

13 MR. PYSER: Object to form.

14 A. -- a training program in place.

15 MR. PYSER: Go ahead and answer.

16 BY MR. PAPANTONIO:

17 Q. I'm sorry, you had training programs in  
18 place, right? And one thing -- while you were  
19 there, as far as the training program --

20 MR. PAPANTONIO: Give me 4765.

21 BY MR. PAPANTONIO:

22 Q. Quality was not a mindset where it came to  
23 training, was it?

24 A. Could you repeat that?

1 Q. Yeah. In 2005 --

2 MR. PAPANTONIO: 4765, please.

3 BY MR. PAPANTONIO:

4 Q. In 2005, you would admit that quality, as  
5 far as the way that the company operates its  
6 training program, was not a mindset, true?

7 A. I -- I need to see the document.

8 Q. Well, we're going to show it to you.

9 MR. PAPANTONIO: Show him 4765,  
10 please.

11

12 (Exhibit No. 10 marked for  
13 identification.)

14

15 MS. MOORE: Reardon 10.

16 BY MR. PAPANTONIO:

17 Q. You see the front of the document,  
18 1/13/2005, it says -- well, it says "Operation  
19 One, Cardinal Health Quality Management."

20 Where -- what were you doing in 2005?

21 A. (Witness reviews document.)

22 I was in QRA.

23 Q. Okay. Tell the jury what QRA is just one  
24 more time just so we don't --

1 A. Quality and Regulatory Affairs.

2 Q. Okay. But look at page -- look at

3 4765.64. 6, 4, just look for 6, 4, the last two

4 numbers.

5 Do you see that? Why don't you read

6 that -- see it says "Internal client perspective

7 of QRA." It says "QRA model. Quality is not a

8 mindset at Cardinal Health. We are not proactive.

9 This is not a high enough priority today."

10 Would you underline not -- "Quality is not

11 a mindset"?

12 Now, was that your memory of the training

13 program in the way that training took place at --

14 A. Just to clarify, this one, Cardinal

15 Health, was tied to Cardinal's manufacturing,

16 repackaging sites. I'm not even a member of the

17 team.

18 Q. Sir, your name is on this, isn't it?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. You know -- you received --

22 A. Further on --

23 Q. Wait a second. No, wait a second.

24 You received this because it was talking



1 about your program, right?

2 MR. PYSER: Object to form. Let the  
3 witness finish his answer before you ask another  
4 question. Sir, if you didn't finish your answer,  
5 you can go ahead.

6 A. So not part of the overall team, but I was  
7 assigned to participate in exploring whether or  
8 not training could be centralized as opposed to  
9 have it within different subsidiaries within  
10 Cardinal Health.

11 BY MR. PAPANTONIO:

12 Q. And you knew about this document. You  
13 actually saw this document before you came here  
14 today, when I asked you about training, right?

15 A. Correct.

16 Q. And then the next thing it says "When  
17 financials are tight, quality suffers."

18 Did you write that?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. "When financials are tight, quality  
22 suffers."

23 A. No.

24 Q. How about this, "Corporate quality

1 organization not sure what their role is or should  
2 be."

3 Did you write that?

4 A. No.

5 Q. And then the last one, "Would like to see  
6 stronger regulatory, i.e., FDA affairs could be a  
7 strategic advantage," right?

8 Do you see that?

9 A. Yes.

10 Q. Now, you agree, sir, that the idea of  
11 following regulatory standards was undersourced.  
12 You agree with that?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. It was undersourced. You see the next  
16 one. It says "People undersourced today"?

17 A. Again, this piece of it speaks to the  
18 manufacturing side of the business.

19 Q. Yeah, which is a Cardinal business. I  
20 want to be sure. It's a Cardinal business,  
21 correct?

22 A. Correct.

23 Q. All right. "People have -- people we have  
24 are good, don't have enough bench strength."

1 Do you see that?

2 And then last one says "Not enough

3 people."

4 Do you see that?

5 A. Right.

6 Q. So --

7 A. So what that would mean is you have good

8 people in the role. This is succession planning.

9 You want to make sure you have enough people on

10 your bench that are ready to go, so you would do

11 succession planning. You would say, who's ready

12 now, who's ready in 1 to 3 months, who's ready in

13 6 to 12, et cetera. That's what that's all about.

14 Q. And you had 30,000 people working with the

15 company, but you had three people in charge of

16 quality regulatory, right?

17 MR. PYSER: Object to form.

18 A. Three people --

19 BY MR. PAPANTONIO:

20 Q. At corporate.

21 A. Looking at the ingredient limit reports.

22 Q. Right, exactly, three people. Is it three

23 people or isn't it three people?

24 MR. PYSER: Object to form.

1 A. I had other staff.

2 BY MR. PAPANTONIO:

3 Q. But you were in charge of three people?

4 MR. PYSER: Object to form.

5 A. Yes.

6 BY MR. PAPANTONIO:

7 Q. So then if we go back to 48 -- I mean  
8 4085, let's pick up with the -- let's pick up with  
9 the Cardinal investigation of the DEA and  
10 Department of Justice investigation of Cardinal.  
11 We're on page 9.

12 It says "DEA suspended" -- if you look  
13 down, the last paragraph -- next to the last  
14 paragraph, "DEA suspended operations at three  
15 Cardinal Health distribution facilities, including  
16 respondent, through a series of immediate  
17 suspension orders."

18 Tell the jury what an immediate suspension  
19 order is.

20 MR. PYSER: Object to form.

21 A. DEA would suspend your registration and  
22 your ability to distribute controlled substances.

23 BY MR. PAPANTONIO:

24 Q. Okay. And then it says that -- let me

1       see. It says "ISO" -- what's an ISO. That's an  
2       immediate suspension order, right?

3           A. Right.

4           Q. "ISOs issued between November 28, 2007 and  
5       January 2008 based on DEA's conclusion that they"  
6       -- and we're talking about Cardinal here, right --  
7       "they failed to maintain effective controls  
8       against diversion," right? That's what it says?

9                       MR. PYSER: Object to form.

10       BY MR. PAPANTONIO:

11           Q. Now, it says between 2007 and 2008, your  
12       company, based on DEA conclusions, failed to  
13       maintain effective controls against diversion,  
14       right?

15                       MR. PYSER: Object to form.

16       BY MR. PAPANTONIO:

17           Q. That's what it says?

18           A. Right.

19           Q. Tell the jury what diversion is.

20           A. Diversion is the illegal distribution of  
21       controlled substances.

22           Q. This says "DEA immediately suspended  
23       respondent" -- that's Cardinal, right -- "based on  
24       its conclusion that for approximately two years

1 and two months, between August 2005 and October  
2 2007, the facility distributed over 8 million  
3 dosage units of hydrocodone-combination products  
4 to customers it knew or should have known were  
5 diverting hydrocodone into the -- into other than  
6 legitimate medical, scientific industrial  
7 channels."

8 That's what it says, right?

9 A. Right.

10 Q. And those were the very years that you  
11 were in charge of quality regulatory, correct?

12 A. Correct.

13 Q. 2005, I mean, this is talking about you  
14 right here, right, Mr. Reardon?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Am I right?

18 A. It's the time frame I was in the role.

19 Q. Right. And it -- so this says -- while  
20 you were in the role, you distributed 8 million  
21 pills to people that you knew or should have known  
22 were using those pills illegally, right?

23 MR. PYSER: Object to form.

24 Misstates evidence.

1 BY MR. PAPANTONIO:

2 Q. That's what it says, doesn't it?

3 A. Well, we distributed controlled substances  
4 that we purchased from licensed manufacturers to  
5 licensed pharmacies who dispensed them pursuant to  
6 prescriptions.

7 Q. And according to this, you knew, when you  
8 were doing that, that they were using them  
9 illegally. That's what this says, doesn't it?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. It says you knew they were being used for  
13 illegal purposes?

14 A. I didn't know that.

15 MR. PYSER: Object to form.

16 Misstates evidence.

17 BY MR. PAPANTONIO:

18 Q. Well, that's what this --

19 MR. PYSER: Object to form.

20 Misstates evidence. You've got to give me a  
21 chance to get the objection on the record.

22 BY MR. PAPANTONIO:

23 Q. This -- well, let me read it again just so  
24 it's very clear. I think the jury can read this

1 all right, but it says --

2 MR. PYSER: You're not reading it  
3 clearly. You're missing words as you go through  
4 it.

5 BY MR. PAPANTONIO:

6 Q. Let's read it again. We won't miss any  
7 words.

8 "DEA" -- that's the Drug Enforcement  
9 Agency, correct, right?

10 A. Right.

11 Q. Those are the people that go after people  
12 who break the law where it comes to selling  
13 narcotics, right?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Right? They're the people in charge of  
17 going after people who break laws where narcotics  
18 are sold illegally, correct?

19 A. Correct.

20 Q. And it says "The DEA immediately  
21 suspended" -- what does that mean, "Immediately  
22 suspended Cardinal's license to sell narcotics"?  
23 What does that mean?

24 MR. PYSER: Object to form. It was



1 not Cardinal's license. It was one facility.

2 BY MR. PAPANTONIO:

3 Q. What does that mean?

4 No. Wait, wait, wait, no.

5 You don't -- first of all, he's trying to

6 tell you what to say. And just in the rule

7 vernacular, that's not how this happens.

8 But -- so let me ask the question this

9 way. You know what respondent means, don't you?

10 In that situation, you know it's Cardinal,

11 correct?

12 A. Correct.

13 Q. Okay. So it's saying Cardinal's license

14 was suspended, correct?

15 A. But not every distribution center.

16 Q. I know. We're going to talk about a lot

17 of them. We're just on number one right now,

18 buddy.

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. So as number one, it was suspended,

22 correct? Cardinal license was suspended by the

23 very people who were in charge of making sure that

24 narcotics are not sold to illegal purposes

1 throughout the country, yes or no?

2 MR. PYSER: Object to form.

3 A. Three distribution centers.

4 Q. Yes. Well, we -- there are a lot more  
5 here. Okay.

6 So anyway, you would agree with that  
7 though. And you knew or should have known that  
8 was going on. That's what this says, you knew or  
9 should have known it was going on?

10 MR. PYSER: Object to form.

11 A. We had a program in place that DEA  
12 approved.

13 BY MR. PAPANTONIO:

14 Q. That was your watch. 2005 through 2007  
15 was your watch, wasn't it?

16 A. And we had our report that DEA approved  
17 that we submitted to them on a regular basis.

18 Q. Well, it must not have been a very good  
19 report because here the DEA is busting you for not  
20 doing it right, correct?

21 MR. PYSER: Object to form.

22 A. It was a report they reviewed and approved  
23 with the trade association.

24 Q. Well, somebody didn't approve it because

1       here you're being busted for doing it illegally,  
2       correct?

3                       MR. PYSER: Object to form.

4       BY MR. PAPANTONIO:

5           Q.    Am I right? I mean, am I right?

6                       MR. PYSER: Object to form.

7           A.    Based on this -- based on this, the  
8       licenses were suspended.

9       BY MR. PAPANTONIO:

10          Q.    Right. And based on this, you knew or  
11       should have known that the drugs were being used  
12       illegally --

13                     MR. PYSER: Object to form.

14       BY MR. PAPANTONIO:

15          Q.    -- based on this?

16          A.    Based on this.

17          Q.    All right. It says "The ISO noted that  
18       although the average retail pharmacy in Florida  
19       distributes less than 8,000 dosage units of  
20       hydrocodone per month, the ten retail pharma" --  
21       the ten retail, you see that number ten? -- "the  
22       ten retail pharmacies that respondent supplied  
23       distributed considerably more."

24                     Do you see that? So we're talking about a

1 Florida average of 8,400. Do you understand that?

2 A. Yes.

3 Q. They're saying the typical Florida average  
4 is 8,400. Then this goes to say "Monthly averages  
5 at those ten pharmacies range from 11,000 to  
6 287,000 dosage units."

7 Let's see. My quick calculation that's  
8 about 30 times what the Florida average is, about  
9 30 times.

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. Do you see that?

13 MR. PYSER: Ongoing objection.  
14 Ongoing objection to the use of this document.

15 BY MR. PAPANTONIO:

16 Q. 8,400 versus 287,000, about 30 times,  
17 right?

18 A. Correct.

19 Q. It says "The ISO alleged that the unusual  
20 size of some of the orders, among other factors,  
21 should have prompted Cardinal to conclude that  
22 orders were suspicious."

23 What does that mean, "orders were  
24 suspicious," within the vernacular of regulatory

1 as you've been involved with for so many years?

2 A. Unusual size, pattern, or frequency.

3 Q. Well, this is certainly an unusual size if  
4 the average -- Florida average is 8,000 pills and  
5 you're selling 280,000 pills.

6 That certainly is higher than the average,  
7 isn't it?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Right?

11 A. Yes.

12 Q. Then it goes on to say "The ISO alleged  
13 that the unusual size of some of the orders were,"  
14 as you pointed out, suspicious -- "were suspicious  
15 as that term is used in the regulations."

16 So the term "suspicious orders" is well  
17 defined in regulations, isn't it, well defined,  
18 isn't it?

19 MR. PYSER: Objection.

20 A. Unusual size, pattern or frequency.

21 BY MR. PAPANTONIO:

22 Q. "Respondents in other facilities seized  
23 all distribution of controlled substances on the  
24 day they received the ISO."

1 Do you see that?

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. In other words, it -- do you see that --

5 A. Yes.

6 Q. -- where I read that?

7 A. Uh-huh.

8 Q. In other words, it took an investigation  
9 by the drug enforcement agency to actually have --  
10 to stop the sale of these kind of numbers to these  
11 facilities, right?

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. That's what it took, you selling these  
15 numbers until they started their investigation,  
16 right?

17 A. It appears so.

18 Q. It says "DEA also issued an order to show  
19 cause to revoke the registration of Cardinal  
20 Health's Stafford, Texas" -- so first of all,  
21 we're talking about Florida, right? First -- the  
22 paragraph right at top talking about Florida, and  
23 then, underneath, all of a sudden now we're  
24 shifting to Texas.

1           "DEA also issued an order to show cause to  
2    revoke the registration of Cardinal Health's  
3    Stafford, Texas facility based on failure to  
4    conduct appropriate due diligence."

5           Now, do you know what -- you know what  
6    your responsibility was for due diligence --

7                       MR. PYSER: Object to form.

8    BY MR. PAPANTONIO:

9           Q.    -- while you were in charge of quality  
10   regulatory?

11          A.    To know your customer.

12          Q.    Yeah. You've got to know your customer?

13          A.    Verify they have an appropriate license --

14          Q.    And to do that --

15          A.    -- which they did.

16          Q.    So to do that, one thing you do is know  
17   your customer. You've got to show up. You have  
18   to see the facility, don't you, to know the  
19   customer, right?

20          A.    And our sales reps visit customers they  
21   put in, new customers.

22          Q.    As a matter of fact, the sales reps --  
23   that's an interesting point because I want to ask  
24   you about that.

1 MR. PAPANTONIO: Give me -- give me  
2 Elber or Elmo.

3 MR. PYSER: Object to form.

4 MR. PAPANTONIO: It was the wrong  
5 form. It' Elmo, not Elber. But are we all on  
6 this?

7 BY MR. PAPANTONIO:

8 Q. So you had -- let's talk salesperson,  
9 salesperson. Okay. So you would have -- a  
10 salesperson very often was living in the same town  
11 where the narcotics were being sold, right?

12 A. I --

13 Q. In other words, Mary -- well, here, let me  
14 put -- Mary, salesperson, lived here and pill mill  
15 might have been right down the street.

16 Do you know that -- what -- whether or not  
17 salespeople actually lived in the towns where  
18 there were actually pill mills?

19 MR. PYSER: Objection to form.  
20 Improper hypothetical. Object to all questions  
21 related to this, whatever the --

22 BY MR. PAPANTONIO:

23 Q. Do you know? Tell --

24 A. I wouldn't know that.



1 Q. Well, tell the jury what a pill mill is.

2 Do you know what that is?

3 MR. PYSER: Object to form.

4 A. As I understand a pill mill, it's -- it

5 would be a pharmacy that just dealt primarily in

6 pain pills with -- dealing with most likely

7 doctors who were writing prescriptions without a

8 doctor-patient --

9 BY MR. PAPANTONIO:

10 Q. As a matter of fact, you allowed a lot of

11 that to go on because you sold pills through --

12 you sold narcotics through the Internet, didn't

13 you, where there weren't any doctors involved?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Right? Your company actually sold

17 Internet pills where somebody could just get on

18 the Internet and order pills without -- you never

19 knew whether a doctor ever saw them or not,

20 right?

21 MR. PYSER: Object to form.

22 A. I don't believe Cardinal Health sold pills

23 through the Internet.

24 BY MR. PAPANTONIO:

1 Q. Really? Is that your testimony? As far  
2 as you're sitting here, you were with the company  
3 how many years?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. How many years?

7 A. Twenty-eight.

8 Q. Twenty-eight years. And as you sit here  
9 today, you're unaware that Cardinal sold pills  
10 through the Internet?

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. Yes or no. That's the first time you've  
14 heard that, isn't it?

15 A. Well, to clarify, are you talking about an  
16 Internet pharmacy?

17 Q. Yes.

18 So you do know about Internet pharmacies,  
19 don't you?

20 MR. PYSER: Object to form.

21 BY MR. PAPANTONIO:

22 Q. Right?

23 A. I'm just thinking through Cardinal's  
24 subsidiaries.

1 Q. Well, I'm just asking you a simple  
2 question. Cardinal allowed Internet pharmacies to  
3 sell their product all over the country, yes or  
4 no?

5 MR. PYSER: Object to form.

6 A. You're asking if we sold to pharmacies.

7 Q. This isn't a Bill Clinton kind of  
8 question. This is pretty clear, okay.

9 Did your company sell narcotics to  
10 Internet pharmacies, yes or no?

11 MR. PYSER: Object to form.

12 A. Yes.

13 BY MR. PAPANTONIO:

14 Q. Okay. Good. Okay. We're moving ahead.  
15 All right. Let's go back to my little picture  
16 right here. This is a -- this is a salesperson  
17 lives in the community.

18 Now, have you ever been to pill mill where  
19 people actually stood up and they're lined up  
20 outside the door 8:00 in the morning to get pills?  
21 Have you ever seen something like that?

22 MR. PYSER: Object to form.

23 A. I've seen pictures.

24 BY MR. PAPANTONIO:

1 Q. Yeah, there's pictures of it. As a matter  
2 of fact, DEA took pictures all over the country of  
3 your facilities, Cardinal facilities, where you  
4 were selling pills to pill mills where people were  
5 standing outside the pill mills at 8:00 in the  
6 morning to get pills. Did you know that?

7 MR. PYSER: Object to form.  
8 Misstates evidence.

9 Ongoing objection to whatever that drawing  
10 is that's up on the screen.

11 BY MR. PAPANTONIO:

12 Q. Did you know that?

13 A. Did not know that.

14 Q. So you -- but just agree you did see --  
15 you did see pictures where people were standing  
16 outside pill mills to get their pills, right?

17 MR. PYSER: Object to form.

18 A. Yes.

19 BY MR. PAPANTONIO:

20 Q. And then you had a salesperson living in  
21 those same cities where there were pill mills?

22 A. I don't know.

23 Q. You have no independent knowledge because  
24 you never actually took time to go to these places

1 where they were selling your narcotics, did you?

2 MR. PYSER: Objection.

3 BY MR. PAPANTONIO:

4 Q. You never even went to the facilities

5 where they were selling your narcotics, did you?

6 MR. PYSER: Object to form. Object

7 to form on the last question as well.

8 BY MR. PAPANTONIO:

9 Q. Right?

10 A. Right.

11 Q. And you know one responsibility that you  
12 should have is know your customer. That's part of  
13 what the DEA told you, know your customer, right?

14 A. Right.

15 Q. And there's a whole list of things that  
16 you're supposed to know. You're supposed to know,  
17 if they're selling our drugs, are people buying  
18 the drugs from other states. You know that's one  
19 thing you're supposed to know, are people coming  
20 in from out of state to buy the drugs, right?

21 MR. PYSER: Object to form.

22 A. Correct.

23 BY MR. PAPANTONIO:

24 Q. One thing you're suppose to look at are

1 people lined up outside pharmacies to get their  
2 pills. A whole list of things you knew you had to  
3 know about, right?

4 MR. PYSER: Object to form.

5 Just as you're going through, answer the  
6 questions, but you have to give me a second to put  
7 an objection on the record.

8 A. Okay.

9 BY MR. PAPANTONIO:

10 Q. Right?

11 A. Right.

12 Q. And you know that if you show up in a  
13 parking lot and there's a bunch of tags -- car  
14 tags from other parts of the country, that's  
15 something that should be suspicious, right?

16 A. Right.

17 Q. And you know that if a facility is doing  
18 primarily cash business, that's something that you  
19 should be suspicious of as far as know your  
20 customer kind of analysis, right?

21 A. Right.

22 Q. And there's a whole list of things that  
23 your company actually said -- the -- excuse me,  
24 there's -- scratch that.

1                   There's a whole list of things that the  
2       DEA told you that you needed to look at, correct,  
3       Cardinal and all the distributors?

4           A.     Through the letters.

5           Q.     They told you by way of letters. You  
6       could sit there and read the letters. They would  
7       tell you, do this, look for that, if you see this,  
8       that's a problem. They told you all that, didn't  
9       they?

10          A.     Correct.

11          Q.     But you never one time went to a facility  
12       and actually met at the facility to know your  
13       customer, did you?

14                   MR. PYSER: Object to form.

15       BY MR. PAPANTONIO:

16          Q.     Never?

17          A.     Eric Brantley and his team visited  
18       customers.

19          Q.     But you were his supervisor?

20                   MR. PYSER: Object to form.

21          A.     Correct.

22       BY MR. PAPANTONIO:

23          Q.     Right. And you never did, correct, and  
24       you were his supervisor?

1 MR. PYSER: Object to form.

2 A. Correct.

3 BY MR. PAPANTONIO:

4 Q. So one thing that you were told, as far as  
5 understanding what might be happening in a  
6 community, is that you have to -- that the people  
7 selling the drugs needed to be aware of what the  
8 news is in that community. DEA said that's  
9 something you ought to be aware of, are there  
10 reports about abuse, right?

11 MR. PYSER: Object to form.

12 Misstates evidence.

13 BY MR. PAPANTONIO:

14 Q. I mean, you know that. That's -- we're  
15 going to get that list, but you already know that  
16 without going to the list?

17 A. Right.

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. So you're supposed to start -- check out  
21 news. You're supposed to be aware of issues that  
22 might be unusual on a facility such as  
23 out-of-state tags, cash business.

24 How about where they show up in -- how



1       about where they show up in groups, where you have  
2       a facility where people are actually showing up  
3       five or six at a time, coming in in a group and  
4       leaving in a group. That's one of things DEA told  
5       you that you should be aware of, right?

6                       MR. PYSER: Object to form.

7           A.     Right.

8       BY MR. PAPANTONIO:

9           Q.     Well, we'll mark this and put this into --  
10       you agree with -- you agree that salesperson --  
11       you don't know if they live in the city or not.  
12       You're not aware of whether your salespeople live  
13       in cities where there's pill mills anywhere in the  
14       United States?

15                    MR. PYSER: Object to form.

16       A.     I wouldn't know that.

17                    MR. PAPANTONIO: Let's put this in.

18       BY MR. PAPANTONIO:

19           Q.     If we go to this -- let's go to page -- on  
20       page 10, Mr. Reardon.

21                    MS. MOORE: Cardinal 11.

22                    MR. PAPANTONIO: Reardon 11.

23       BY MR. PAPANTONIO:

24           Q.     I left off with the idea that respondent

1 and other facilities ceased all distribution of  
2 controlled substances on the date they received  
3 the ISO. And the ISO is an immediate suspension  
4 order, correct, right?

5 A. Correct.

6 Q. Then the next paragraph says "DEA also  
7 issued order to show cause to revoke registration  
8 of Cardinal Health's Stafford, Texas, facility  
9 based on failure to conduct appropriate due  
10 diligence.

11 "In addition, the three Cardinal Health  
12 distribution facilities that received ISOs, DEA  
13 also alleged that Cardinal Health failed to  
14 maintain effective controls against the diversion  
15 of controlled substances at three other  
16 facilities. In total, DEA had reason to believe  
17 that 7 of Cardinal Health's 27 distribution  
18 centers roughly 25 percent were not adhering to  
19 their responsibility as registrants."

20 You do see where I read that, right?

21 A. Correct, yes.

22 Q. I want to be sure about something. Not  
23 everybody can go out and sell narcotics, can they?

24 A. No.

1 Q. You have to have a special license to sell  
2 narcotics, correct?

3 A. Correct.

4 Q. And distributors had that special license.  
5 Cardinal had that license, McKesson had that  
6 license, ABC had that license, right, and other  
7 people had the license to sell narcotics?

8 DEFENSE COUNSEL: Objection to  
9 form.

10 BY MR. PAPANTONIO:

11 Q. Right?

12 A. Correct.

13 Q. And one thing that you would agree -- in  
14 your agreement to be able to sell narcotics, one  
15 thing that would you agree is to follow the  
16 standards that were laid out to you by the DEA,  
17 correct? We already talked about that, right?

18 MR. PYSER: Object to form.

19 A. Correct.

20 BY MR. PAPANTONIO:

21 Q. It says -- go down to the last paragraph,  
22 it says "Cardinal Health's 2008 memorandum of  
23 agreement."

24 Now, sir, you know -- were you aware

1 of the fine that was paid to the DEA because of  
2 this particular investigation?

3 A. Yes.

4 Q. Now, I want to get this right. You were a  
5 police officer. Did you ever -- did you ever  
6 arrest anybody that was selling drugs on the  
7 street corner?

8 MR. PYSER: Object to form.

9 A. No.

10 BY MR. PAPANTONIO:

11 Q. Well, you would agree -- you understand  
12 that a person selling drugs on the street  
13 corner -- if they get caught selling drugs  
14 illegally, they can go to prison. You're aware of  
15 that, right?

16 MR. PYSER: Object.

17 BY MR. PAPANTONIO:

18 Q. As a police officer?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Right?

22 A. Yes.

23 Q. And they go to prison because they're  
24 breaking the law and selling drugs, correct?

1 MR. PYSER: Object to form.

2 A. Correct.

3 BY MR. PAPANTONIO:

4 Q. But here your company paid a fine of 35 --  
5 \$35 million -- \$34 million right? You paid a fine  
6 of \$34 million?

7 A. Correct.

8 Q. Nobody went to prison, as far as you  
9 know?

10 MR. PYSER: Object to form.

11 A. Not to my knowledge.

12 BY MR. PAPANTONIO:

13 Q. So let me -- let me make sure I've got  
14 this right. You know that this -- we're -- this  
15 document is a 2012 document.

16 Do you see the front of it? 2012,  
17 right?

18 A. Right.

19 Q. You had already been -- in 2008, had  
20 already been ordered to show cause and had  
21 already, in 2008, had some of these Florida  
22 facilities, these Florida pharmacies, have their  
23 license suspended, 2008. Do you remember the MOU  
24 for 2008?

1 MR. PYSER: Object to form.

2 A. Yes.

3 BY MR. PAPANTONIO:

4 Q. Well, tell the jury what you remember  
5 about the trouble that Cardinal got into in 2008.

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. What do you remember about that?

9 A. It was essentially a similar issue.

10 Q. The same thing, wasn't it? You were  
11 selling drugs and you weren't doing it pursuant to  
12 the way that the government told you you had to do  
13 it, correct?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. 2008?

17 A. We -- we had a computer program approved  
18 by the DEA that we submitted to them, as  
19 requested, on a monthly basis. We had our  
20 employees in the cage involved --

21 Q. And you thought --

22 A. -- with the ability to raise their hand,  
23 to question orders, and report those to the DEA.

24 Q. Well -- and they did. In 2008, they

1 looked at what were you doing and they busted you  
2 for doing it wrong. They actually accused you of  
3 breaking the law again in 2008, right?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. True? Do you remember 2008 or you want  
7 the see the document? You know what, let's go  
8 ahead and pull it out so we -- you have it in  
9 front of you?

10 You see it says "2008 Settlement and  
11 Release Agreement." You see that? This is  
12 virtually the same thing that we're looking at in  
13 2012, right?

14 MR. PYSER: Object to form.

15 A. Right.

16 BY MR. PAPANTONIO:

17 Q. It's the same thing. You were accused of  
18 the same thing. You did the same thing in 2008,  
19 and then didn't you promise them, in 2008, that  
20 you were going to have a system to solve all those  
21 problems?

22 MR. PYSER: Object.

23 BY MR. PAPANTONIO:

24 Q. You were going to put in place, your

1 obligation -- let me scratch that.

2 Your obligation after 2008 was to pay \$34  
3 million and put in place a system that the DEA  
4 thought was acceptable in monitoring your  
5 customers, correct?

6 MR. PYSER: Object to form.

7 A. In 2008 and after, I wasn't involved in  
8 that process, but I know there was a creation of  
9 an anti-diversion team that put together a new  
10 program based in consultation with the DEA. DEA  
11 came in and looked at that program and blessed it.

12 BY MR. PAPANTONIO:

13 Q. Right. In other words, if you had  
14 actually performed your program like you promised  
15 you were going to do, your -- that's what you told  
16 the government, we promise that we're going to do  
17 a program that you can approve of. That was what  
18 happened in 2008, right?

19 MR. PYSER: Object to form.

20 A. I can't speak to what was told to the  
21 government. I wasn't involved in that.

22 BY MR. PAPANTONIO:

23 Q. Did you ever see what the -- what your  
24 company agreed to in 2008 as far as putting



1 together an anti-diversion system?

2 A. I believe I saw the settlement.

3 Q. Yeah. And the settlement was that you  
4 would have in place a system that prevented the  
5 very kind of drug diversion that we're talking  
6 about in 2012, correct?

7 MR. PYSER: Object to form.

8 A. In 2012, I can't speak to what the system  
9 did or didn't do.

10 BY MR. PAPANTONIO:

11 Q. Well, we're looking at what the system did  
12 because you were -- Lakeland was -- you had a  
13 distribution center in Lakeland, didn't you?

14 A. Yes.

15 Q. And then -- okay. So that's 2008, when  
16 you agreed to have a system that was in place for  
17 anti-diversion, right?

18 And then you know that in 1971 the  
19 government told you what you had to do to prevent  
20 diversion, right? CFR told you clearly what you  
21 had to do to prevent diversion, correct?

22 MR. PYSER: Object to form.

23 Misstates evidence.

24 BY MR. PAPANTONIO:

1 Q. All the way back to 1971, the government  
2 specifically told you what you had to do to  
3 maintain your license, correct?

4 A. That's when the regulation came.

5 Q. Right, 1971. So then in 2006 -- we just  
6 saw Rannazzisi. He writes you a letter and says,  
7 hey, you need to take another look at what you're  
8 doing, here's another -- here's another letter to  
9 tell you how you're supposed to do this properly,  
10 right, Rannazzisi with the DEA?

11 MR. PYSER: Object to form.

12 A. Right. And we looked at our program and  
13 we were submitting the DEA-approved report --

14 BY MR. PAPANTONIO:

15 Q. Right, exactly.

16 A. -- which during numerous cyclical  
17 inspections was reviewed and looked at, what our  
18 process was, without issue.

19 Q. And then nevertheless, in 2012, you're  
20 still breaking the law, correct?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. 2012, you're still doing the same thing,  
24 breaking the law?

1 A. I would disagree.

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. We're going to go through it, but -- so so  
5 far -- let me just make sure we have this right,  
6 okay, because I want the jury to understand what  
7 you knew, when you knew it.

8 MR. PAPANTONIO: Could I get an  
9 Elmo, please, or is that -- is it on?

10 BY MR. PAPANTONIO:

11 Q. Here we go. So let's get this right.  
12 1971, CFR, right, that tells you the law  
13 relating to narcotic distribution. You remember  
14 that -- you've read it, you've reviewed it, right?

15 A. Yes.

16 Q. Correct. Now, there's some other stuff in  
17 between here, but we know that in 2006 -- 2006,  
18 you got another letter from the DEA telling you  
19 again what your responsibilities were. Do you  
20 recall that? We already talked about that.

21 A. Yes.

22 Q. And then in -- the next year, 2007, you  
23 get another letter, another DEA letter, telling  
24 you what your responsibilities are, correct?

1           A.     Correct.  And we reviewed our programs and  
2     the report that they approved.  We had that in  
3     place.

4           Q.     Yeah.  Well, I think you -- I think you  
5     believe that, but let's go ahead with what  
6     happened here.

7                     MR. PYSER:  Object to form and  
8     objection to the last question, too.

9     BY MR. PAPANTONIO:

10          Q.     So the truth is -- so we're 2007 here.  
11     And in between here, you have the DEA, is they're  
12     putting on seminars, right?  Am I right?  DEA  
13     putting on seminars for you to tell you -- tell  
14     you again the rules, right?  We've already talked  
15     about that and you agreed to it?

16                    MR. PYSER:  Object to form.

17     BY MR. PAPANTONIO:

18          Q.     Am I right?

19          A.     And that was a conference where DEA for  
20     the -- probably the first time came out and  
21     specifically said, this is our expectation.

22          Q.     No, sir, that wasn't the first time  
23     because in 2005 --

24                    MR. PAPANTONIO:  Give me the

1 document where he actually met with the DEA in  
2 2005, please.

3 BY MR. PAPANTONIO:

4 Q. -- you actually met face-to-face,  
5 Reardon -- I wanted to see whether you were going  
6 to tell me about this, so let's look.

7 "Reardon met with DEA." Now, does that  
8 help you remember better?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. You remember it being face-to-face with  
12 the DEA?

13 A. Yes.

14 Q. And they're telling you what your  
15 responsibilities are, correct?

16 MR. PYSER: Object to form.

17 A. The meeting was about a growing problem  
18 with Internet pharmacies.

19 BY MR. PAPANTONIO:

20 Q. Oh, so now you do recall Internet  
21 pharmacies, right?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. You remember Internet pharmacies. We

1       talked about them, right?

2                       MR. PYSER: Object to form.

3       A.     Right.

4       BY MR. PAPANTONIO:

5       Q.     And you met face-to-face with the DEA  
6       about diversion, didn't you?

7                       MR. PYSER: Object to form.

8       A.     Yes.

9       BY MR. PAPANTONIO:

10       Q.     So 1971 -- do you want to fill anything  
11       for 2005? Because we're going to fill it in as we  
12       go today, but is there anything you want to offer?  
13       Just tell me before we have to get into any more  
14       detail.

15                    Do you have anything you want to offer as  
16       far as what you knew or should have known about  
17       your obligation to control the sale of narcotics  
18       in America?

19                       MR. PYSER: Object to form.

20       A.     In that time frame, again, we were  
21       submitting the DEA-approved report regarding  
22       suspicious orders.

23       BY MR. PAPANTONIO:

24       Q.     And then we find that in 2012 -- I'm going

1 to put this down here, 2012. Why do you think I'm  
2 putting that down there?

3 MR. PYSER: Object to form.

4 Vague.

5 BY MR. PAPANTONIO:

6 Q. I'm putting it down there because of all  
7 the things that happened between 2007 and 2012,  
8 okay. As we go forward, we're going fill that in,  
9 so --

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. So the next thing that occurs is in  
13 2012 -- I'm going to leave a box here. We'll fill  
14 some stuff in as we go.

15 In 2012, the DEA, again, after 2008 --  
16 well, I forgot 2008. 2008 is up here and that's  
17 where you're busted for diversion, right? That's  
18 what I just showed you. That's where DEA busted  
19 you for improper diversion, right?

20 MR. PYSER: Object to form. Ongoing  
21 objection to the use of this document. Move to  
22 strike the document and all testimony concerning  
23 it.

24 BY MR. PAPANTONIO:

1 Q. Am I right?

2 A. There was an issue in 2008.

3 Q. 2008, right. So you're busted there?

4 MR. PYSER: Object to form. Object  
5 to the use of word "busted" on the document and in  
6 the testimony.

7 BY MR. PAPANTONIO:

8 Q. And when you were busted, some of it  
9 involved the same pharmacies that we're talking  
10 about in 2012, doesn't it?

11 MR. PYSER: Objection to form.

12 A. I don't have knowledge of that.

13 BY MR. PAPANTONIO:

14 Q. Well, let's go ahead and help -- see if I  
15 can help you with knowledge. Let's take it off  
16 here. Let's go back to the document. Let's go  
17 back to -- 4085.11 is where we are.

18 So you see where it says "The MOA"? Tell  
19 the jury what an MOA is.

20 A. Memorandum of understanding -- or  
21 agreement.

22 Q. So the MOA and corresponding settlement  
23 also required Cardinal Health to pay \$34 million  
24 in civil penalties. Now, you remember -- you



1 understand that's in 2008 where that's happening.

2 2008. You were -- 2008, you paid \$34 million,

3 right?

4 A. Correct.

5 Q. Nobody went to jail. You just paid \$34

6 million --

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. -- correct?

10 A. Correct.

11 Q. But again, just so it can be clear, a

12 child -- a young man selling three ounces of

13 marijuana on the street corner can go to jail for

14 that, can't he?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Am I right?

18 A. I don't know the specific laws around

19 that.

20 Q. Well, you were a police officer. Did you

21 ever arrest anybody for selling drugs?

22 MR. PYSER: Object to form.

23 A. Possession, not dealing.

24 BY MR. PAPANTONIO:

1 Q. Possession, just the mere possession. A  
2 young man out on the street corner with just the  
3 mere possession of marijuana could go to jail,  
4 right?

5 MR. PYSER: Object to form.  
6 Objection to this entire line of questioning.

7 BY MR. PAPANTONIO:

8 Q. Am I right?

9 A. Correct.

10 Q. That's -- in your police experience,  
11 that's been your experience. Now, here not only  
12 were you in possession of millions of drugs,  
13 Cardinal, but you were actually illegally  
14 distributing those illegal drugs, correct?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. According to this?

18 MR. PYSER: Objection to form.

19 That's not what it says. Object to form.

20 A. We distributed drugs through -- to  
21 entities that had a valid DEA registration and a  
22 valid state license.

23 Q. But you did it illegally --

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. -- according to these documents?

3 MR. PYSER: Object to form.

4 Misstates evidence.

5 BY MR. PAPANTONIO:

6 Q. Well, let's go on. Your attorney says it

7 misstates it. Let's see if I misstated it, okay?

8 Read on with me.

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. It says "The MOA and corresponding

12 settlement also required that Cardinal pay \$34

13 million in civil penalties." That was in 2008 you

14 had to do that, correct?

15 A. Correct.

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. That was a different incident where you

19 were involved in the -- not following the law

20 where it comes to distribution of narcotics. That

21 was in 2008, correct?

22 MR. PYSER: Object to form.

23 A. 2008.

24 BY MR. PAPANTONIO:

1 Q. 2008, correct?

2 Then it goes on, "34 million in civil  
3 penalties and settlement of claims, potential  
4 claims for civil penalties made by the United  
5 States of America, for failing to report  
6 suspicious orders of controlled substances. Of  
7 that sum, Cardinal agreed to pay 16 million for  
8 conduct alleged to have occurred within the middle  
9 district of Florida," right?

10 Do you see that?

11 A. It's what it says. I was --

12 Q. Right.

13 A. -- not aware of that.

14 Q. So the very thing that we're looking at --  
15 you know where Lakeland, Florida is?

16 A. Yes.

17 Q. It's in the middle of Florida, isn't it?

18 A. Yes.

19 Q. In 2008 was the same problem that you had  
20 in middle Florida, correct? You paid a \$35  
21 million fine for it, correct?

22 A. Correct.

23 Q. And you -- and did you know prior to  
24 coming here that the Oxy Express actually

1       originated in Florida, started in Florida and went  
2       all the way up the East Coast? Has anybody ever  
3       told you that?

4                       MR. PYSER: Object to form.

5       A.     No.

6       BY MR. PAPANTONIO:

7       Q.     First time you've ever heard the term "Oxy  
8       Express" was today, correct?

9                       MR. PYSER: Object to form.

10      A.     Correct.

11      BY MR. PAPANTONIO:

12      Q.     It says "Middle district of Florida where  
13      respondent is located." So you actually had a  
14      business location right there where all of this  
15      was going on, right?

16                      MR. PYSER: Object to form. Vague.

17      A.     Correct.

18      BY MR. PAPANTONIO:

19      Q.     "The remainder was appropriated -- was  
20      apportioned among the six other districts housing  
21      Cardinal Health distribution centers at issue in  
22      amounts of 1- to \$8 million."

23                      Now, it says "Prior to the DEA and  
24      Cardinal Health MOA, the largest" -- I don't know

1 if you know this. But "Prior to the DEA and  
2 Cardinal 2008 MOA, the largest civil monetary  
3 penalty paid by a DEA registrant in violation of  
4 CSA was \$13 million."

5 That was McKesson. Do you remember when  
6 they were hit with -- McKesson was hit for \$13  
7 million?

8 MS. MONAGHAN: Object to form.

9 A. I'm familiar with it.

10 BY MR. PAPANTONIO:

11 Q. You followed the news, certainly. They  
12 were one of your competitors and you followed the  
13 news when they were busted for illegally complying  
14 with standards of the CSA?

15 MS. MONAGHAN: Object to form.

16 A. I was aware of it.

17 BY MR. PAPANTONIO:

18 Q. You were aware of it. Why were you aware  
19 that McKesson also had been accused by the DEA and  
20 paid a fine for improperly conducting business  
21 pursuant to the CFR? Why did you know about that?

22 MS. MONAGHAN: Object to form.

23 A. I believe I saw a DEA press release.

24 BY MR. PAPANTONIO:

1 Q. That's what I was going to ask. Press  
2 releases were sent out every time they were --  
3 every time they would -- they would create --  
4 revoke a license, every time they would do a  
5 immediate suspension. DEA would communicate that  
6 to all the distributors, correct?

7 MR. PYSER: Object to form.

8 A. I don't believe it came directly to  
9 distributors. It was either on their website or  
10 in a publication.

11 MR. PYSER: I also just want to  
12 pause for a second and note for the record that  
13 the attorney for McKesson objected to the last  
14 rounds of questions. I don't know if the court  
15 reporter can hear her because she's not mic'd up,  
16 but there were objections to some of the questions  
17 related to McKesson.

18 BY MR. PAPANTONIO:

19 Q. "Prior to the DEA and Cardinal Health 2008  
20 MOA, the largest monetary penalty paid the DEA  
21 registrant pursuant to the CSA was 13.25 million  
22 civil penalty against McKesson" -- it says against  
23 McKesson -- "in April of 2008. Standing alone,  
24 the civil penalties assessed against the

1       respondent surpassed the existing record  
2       settlement in the McKesson case."

3                   Sir, now you understand that what the --  
4       what the DEA right here was doing, they were  
5       putting you in what they call a penalty box,  
6       correct? I mean you've heard the term penalty  
7       box --

8                   MR. PYSER: Object to form.

9       BY MR. PAPANTONIO:

10       Q.     -- right?

11       A.     Hockey term.

12       Q.     Yeah, it's a hockey term. You know,  
13       there's different penalty boxes, I guess.

14               But you know what a penalty box is,  
15       right?

16               MR. PYSER: Object to form.

17       A.     Yes.

18       BY MR. PAPANTONIO:

19       Q.     And you know that you -- that your  
20       organization --

21               MR. PAPANTONIO: 4391 please.

22       BY MR. PAPANTONIO:

23       Q.     -- your organization was put in a penalty.

24       And we're talking about a penalty box right here



1       where your license is being suspended because  
2       you're not following the law. We can agree to  
3       that, right?

4                               MS. MOORE: Reardon 12.

5  
6                               (Exhibit No. 12 marked for  
7       identification.)

8  
9                               MR. PYSER: Object to form.

10       BY MR. PAPANTONIO:

11               Q.     Right?

12                               MR. PYSER: Object to form.

13               A.     We paid a fine.

14       BY MR. PAPANTONIO:

15               Q.     Yes, you certainly did.

16                               Now, it says -- if you look at the first  
17       page on this, it says Mike Kaufmann. Who is Mike  
18       Kaufmann?

19               A.     Mike Kaufmann is currently the Cardinal  
20       Health CEO.

21               Q.     What did you all do to Barrett?

22                               MR. PYSER: Object to form.

23       BY MR. PAPANTONIO:

24               Q.     Where's Barrett?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Is he gone?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. He's objecting because he doesn't want you  
7 to answer the question.

8 MR. PYSER: I'm objecting because  
9 it's a ridiculous question. It's an improper  
10 question in its form.

11 BY MR. PAPANTONIO:

12 Q. Where is Mr. Barrett? Because we're going  
13 to see some video clips of Mr. Barrett, so tell  
14 the jury who Mr. Barrett is.

15 MR. PYSER: Object to form on the  
16 prelude from counsel.

17 A. Former CEO.

18 BY MR. PAPANTONIO:

19 Q. Former CEO. And then Mike Kaufmann took  
20 it over, right?

21 A. I don't know the exact succession, but  
22 Mike is currently, I believe, in that role.

23 Q. Now, Mr. Barrett is the guy that appeared  
24 in front of Congress, isn't he? And he testified

1 in front of Congress about what Cardinal -- what  
2 their history was and what their actions were in  
3 the opioid crisis, right? Mr. Barrett?

4 A. I believe.

5 MR. PYSER: Objection.

6 A. I believe so.

7 BY MR. PAPANTONIO:

8 Q. And then how long after that did they get  
9 another CEO after he testified about the conduct  
10 of Cardinal? When did he lose his job?

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. When did he lose his job?

14 MR. PYSER: Object to form.

15 A. I think he retired.

16 Q. Okay. When did he retire?

17 A. I don't know the exact date.

18 Q. But you know that Mr. Barrett personally  
19 was being sued, along with all the board of  
20 directors, for improperly running the company  
21 allowing diversion to take place in the United  
22 States and they were sued by here other  
23 shareholders.

24 Did you know that?

1 MR. PYSER: Object to form.

2 Misstates evidence.

3 A. Unaware of that.

4 Q. Nobody ever told you that, did they?

5 A. No.

6 Q. Well, you'll probably get a chance to

7 testify there too, so --

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. All right. So if you look -- so it  
11 goes -- who is Kerry Clark? Do you see down at  
12 the bottom? Who is Kerry Clark?

13 A. Former CEO.

14 Q. Another CEO of the company, correct?

15 Where's Kerry Clark now?

16 A. I don't know.

17 Q. Did Kerry -- did Kerry Clark retire did  
18 they ask Kerry Clark to leave?

19 MR. PYSER: Object to form.

20 A. I don't know the circumstances of his  
21 departure.

22 BY MR. PAPANTONIO:

23 Q. Look at -- go to page 2 and look at the  
24 third paragraph. It says "Obviously the biggest

1 are the SEC issue, two consecutive Alaris recalls,  
2 a number of MBT recalls, and the DEA controlled  
3 substances license suspension."

4 Now, first of all, you're still a  
5 consultant with them, aren't you?

6 MR. PYSER: Object to form and the  
7 prelude.

8 BY MR. PAPANTONIO:

9 Q. Are you still a -- are you still a  
10 consultant with Cardinal?

11 A. Yes.

12 Q. And do you not know about the SEC case  
13 where the board of directors are being sued for  
14 not properly handling the opioid crisis in their  
15 sale of narcotics throughout the United States?

16 MR. PYSER: Object to form. Vague  
17 as to time.

18 BY MR. PAPANTONIO:

19 Q. Do you know about that?

20 MR. PYSER: Object to form. This is  
21 ten years old and you're mixing and matching  
22 things. This is purposefully misleading.

23 BY MR. PAPANTONIO:

24 Q. Did you know about that?

1 MR. PYSER: Object to form.

2 A. I was aware of a prior SEC issue years  
3 back.

4 Q. Right, right. So there's actually a  
5 couple of SEC -- do you know what this SEC issue  
6 is?

7 MR. PYSER: Object to form.

8 A. I don't know the specifics.

9 BY MR. PAPANTONIO:

10 Q. But you know that, right now as we speak,  
11 there's another SEC issue where the board of  
12 directors of Cardinal are being sued for their  
13 failure to follow the law where it comes to sale  
14 of narcotics in the United States and they're  
15 being sued by their own shareholders. Did you  
16 know that?

17 MR. PYSER: Object to form.

18 Misstates evidence.

19 BY MR. PAPANTONIO:

20 Q. Yes or no? You're a consultant working --  
21 do you get a paycheck from them?

22 A. If I work.

23 Q. Okay. So you're a consultant for them,  
24 right, and you don't know that there's a

1 shareholder derivative suit pending against all  
2 the people who made decisions about the sale of  
3 narcotics in America?

4 You don't know anything about that; that's  
5 your testimony?

6 MR. PYSER: Object to form.

7 A. I do not.

8 BY MR. PAPANTONIO:

9 Q. Fair enough. And then DEA controlled  
10 substances abuse, so these -- obviously the  
11 biggest are the SEC issues, two consecutive Alaris  
12 recalls, a number of MBT recalls, and the DEA  
13 controlled substance license suspension in three  
14 locations.

15 Do you see that? That's what we're  
16 talking about. I mean, we -- back in 2008 -- you  
17 know that the Lakeland suspensions took place back  
18 in 2008?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Correct?

22 A. Correct.

23 Q. So then it goes, "Beyond these, Gary  
24 Dolch's QRA report listed a startling number of

1 issues."

2 Now, who is Gary Dolch?

3 MR. PYSER: Object to form, to the  
4 prelude to the question.

5 A. Gary Dolch was, I believe, at the time, an  
6 Executive Vice President of Quality and Regulatory  
7 Affairs.

8 BY MR. PAPANTONIO:

9 Q. So it says "Gary Dolch's quarterly QRA  
10 report." What's a QRA report?

11 A. I'm not sure what Gary's report is.

12 Q. But what is a QRA report?

13 A. QRA report could be anything.

14 Q. Quality regulatory?

15 A. Quality and Regulatory Affairs.

16 Q. And that's what you did. That was your  
17 job for how many years?

18 A. Twenty-eight.

19 Q. Right. So it says "QRA report lists a  
20 startling number of issues, including six OSHA  
21 violations and a significant fine at our Syracuse,  
22 New York facility."

23 Do you know what the fine was in the  
24 Syracuse, New York facility?



1 MR. PYSER: Object to form.

2 A. I do not. OSHA was not within the scope  
3 of my responsibilities.

4 BY MR. PAPANTONIO:

5 Q. "If you added up our fines, settlements  
6 and lost business over the last 18 months, the  
7 total would come to close to \$1 billion." And  
8 then it says "Shocking, isn't it?"

9 Is that shocking to you?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. Mr. Reardon, is that shocking that fines  
13 and settlements and costing close to a billion  
14 dollars?

15 A. Well, it's -- in reading this, it looks  
16 like the SEC was the major share and a lot of it  
17 was dollars spent on managing recalls.

18 Q. So you're saying that the SEC case was  
19 even bigger than \$34 million?

20 MR. PYSER: Object to form.

21 BY MR. PAPANTONIO:

22 Q. Is that what you just told us? Because I  
23 just read this and it says that \$34 million was  
24 the biggest DEA fine in the history of the world.

1 That's what it just said.

2 MR. PYSER: Object to form.

3 A. I'm just going by what was in this  
4 document where it states "I recognize that the SEC  
5 settlement is the major share."

6 BY MR. PAPANTONIO:

7 Q. Okay. But one major -- so in other words,  
8 that's even bigger than \$34 million. That's what  
9 you're saying?

10 MR. PYSER: Object to form.

11 A. That's how --

12 Q. Because you want to focus on that. You  
13 wanted to focus on that just now, and so why are  
14 you focusing on it -- I want to know what you  
15 know.

16 Was the SEC conduct -- did it require a  
17 fine bigger than \$34 million?

18 MR. PYSER: Object to form.  
19 Argumentative.

20 A. I don't know that. I'm just interpreting  
21 what's written.

22 BY MR. PAPANTONIO:

23 Q. And then it says -- it says, the last  
24 line, "This is a big issue and the leaders of

1 Cardinal Health -- of the leaders of Cardinal  
2 Health, we need to address it. Accountability of  
3 leadership is essential."

4 Do you agree with that, "accountability of  
5 leadership is essential"? Would that be something  
6 you would agree with?

7 MR. PYSER: Object to form.

8 A. Yes.

9 BY MR. PAPANTONIO:

10 Q. Why?

11 A. In any -- in any job anyone has, doesn't  
12 have to be a leadership, there's accountability to  
13 do your job.

14 Q. Yeah. There is an accountability to do  
15 your job, especially when you're dealing with  
16 narcotics that had created an opioid epidemic in  
17 the United States. It actually raises the  
18 responsibility a little higher, doesn't it?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Right? Would you agree with that?

22 A. You need to comply with the regulations  
23 around it.

24 Q. So let's go to the next page, .12. "At

1 the time of the initial investigation,  
2 respondent's top four retail pharmacy customers  
3 were Holiday CVS, CVS Pharmacy No. 0029, CVS 219,  
4 and then Gulf Coast Pharmacy located at 3685  
5 Doctors Way."

6 Do you see that?

7 A. Yes.

8 Q. CVS was your biggest customer, wasn't it?

9 A. I believe so.

10 Q. And so what you allowed CVS to do was to  
11 monitor themselves where it came to -- where it  
12 came to exceeding thresholds -- legal threshold  
13 for the sale of narcotics. You allowed your own  
14 customer to do that, didn't you?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Right?

18 A. No. They were included in the reports  
19 that we submitted to DEA.

20 Q. Okay. So your testimony is -- because  
21 we're going to get a lot more in here.

22 But your testimony is, no, you did not  
23 allow CVS to do their own threshold monitoring.  
24 That's your testimony?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Correct?

4 MR. PYSER: Asked and answered.

5 A. Not when I was in the anti-diversion role.

6 BY MR. PAPANTONIO:

7 Q. And if that was done, that would be a --  
8 that would be a violation of standards according  
9 to the law of distribution of narcotics. It would  
10 be a violation of standards to allow your customer  
11 to do their own monitoring.

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. Correct?

15 MR. PYSER: Object to form. Legal  
16 conclusion. Speculation.

17 A. It could be an issue with the regulation.

18 BY MR. PAPANTONIO:

19 Q. It could be an issue with the regulation?  
20 What do you mean by that?

21 A. Depending on what the facts and  
22 circumstances were, yes.

23 Q. Well, the facts and circumstances were,  
24 looking at right here, is the DEA is saying that

1     you didn't comply with the law. We can agree to  
2     that, correct?

3                     MR. PYSER: Object to form.

4     BY MR. PAPANTONIO:

5             Q. Right here in this document we've gone  
6     over?

7             A. Saying we violated the regulation.

8             Q. Right. It says "DEA has communicated with  
9     Cardinal" -- I'm on the second paragraph.

10             "DEA has communicated to Cardinal that it  
11     is required to conduct its own due diligence in  
12     its retail pharmacy chains. Specifically, in July  
13     28, 2009, DEA conducted a compliance review at  
14     Cardinal's Health distribution center located in  
15     Peabody, Massachusetts."

16             Q. So far we talked about Lakeland, talked  
17     about Texas. Now talking about Massachusetts.

18             "DEA investigators asked the distribution  
19     center for due diligence files from a number of  
20     chain pharmacies" -- CVS was a chain pharmacy,  
21     right?

22             A. Yes.

23                     MR. PYSER: Object to form on the  
24     prelude to that question.

1 BY MR. PAPANTONIO:

2 Q. -- "from a number of chain pharmacies, but  
3 Cardinal could not produce the requested due  
4 diligence."

5 Do you see that? Did you not keep records  
6 of the sale of narcotics --

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. -- in places like Massachusetts or Ohio or  
10 Florida? Did you not keep records? I mean,  
11 that's what it says.

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. It says you couldn't produce them.

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. I mean -- but Cardinal could not  
18 produce -- underline "could not produce the  
19 requested due diligence file."

20 What is a due diligence file?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. Tell the jury what a due diligence file  
24 is.

1           A.     First, this is in a time frame where I was  
2     not involved with anti-diversion.

3           Q.     Okay, that's fine.  You were in corporate,  
4     weren't you --

5           A.     Yes.

6           Q.     -- up in Columbus, Ohio where all the  
7     suits do business for Cardinal --

8                     MR. PYSER:  Object.

9     BY MR. PAPANTONIO:

10          Q.     -- correct?

11                    MR. PYSER:  Object to form.

12     Argumentative.

13     BY MR. PAPANTONIO:

14          Q.     You were up there with all the other  
15     suits, correct?

16                    MR. PYSER:  Object to form.

17          A.     I was there.

18     BY MR. PAPANTONIO:

19          Q.     Yeah.  And you knew when you were there  
20     that Cardinal did not have the ability to produce  
21     requested due diligence files.  You knew that,  
22     right?

23                    MR. PYSER:  Object to form.

24     BY MR. PAPANTONIO:



1 Q. That was in Massachusetts; is that right?

2 A. It's part of the anti --

3 Q. Yes or no?

4 A. It's part of the anti-diversion program,  
5 which I was not a part of.

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. Now, I'm interested in a couple of things.

9 First of all, go to the next page, .13. "U.S.  
10 distributor" -- second paragraph. "U.S.  
11 distributor registrants are subject to scheduled  
12 investigations by diversion investigation every  
13 three years."

14 Do you see that?

15 A. Yes.

16 Q. And you remember being actually involved  
17 in one of those investigations where they were  
18 investigating Cardinal?

19 MR. PYSER: Object to form.

20 A. I --

21 BY MR. PAPANTONIO:

22 Q. Do you remember that?

23 A. I don't recall that I was specifically  
24 involved with the investigation.

1           Q.     Before I -- before I get to this part of  
2     the investigation, here's what I want to ask you:  
3     Do you know, sir, that --

4                     MS. MOORE:   This is Reardon 13.

5  
6                     (Exhibit No. 13 marked for  
7     identification.)

8  
9     BY MR. PAPANTONIO:

10           Q.     Now, we were just talking about  
11     Massachusetts.

12                     MR. PYSER:   Do you have a copy for  
13     counsel?

14                     MR. PAPANTONIO:   Yes, we do.

15     BY MR. PAPANTONIO:

16           Q.     We were just talking about Massachusetts,  
17     about their inability to produce records.

18                     Did -- while you were a consultant, did  
19     anybody from Cardinal ask you whether or not you  
20     could produce records from Ohio -- Cleveland,  
21     Ohio, Cuyahoga County? Did anybody sit down with  
22     you and say, We're involved in a lawsuit, can you  
23     please produce records from Cleveland or Cuyahoga  
24     County as far as sales of narcotics?

1 MR. PYSER: Object to form.

2 A. As a consultant?

3 BY MR. PAPANTONIO:

4 Q. Yes, as a consultant.

5 A. As a consultant, I'm not involved in any  
6 DEA activities.

7 Q. Okay. Well, let's read this too. Bottom  
8 of the page, "Documents bearing Bates stamp," then  
9 gives a Bates stamp.

10 You see that last -- you know what a Bates  
11 stamp is, sir?

12 A. Not specifically.

13 Q. What do you think it is?

14 A. I think it's code or a way to identify  
15 documents.

16 Q. Right. And it says -- it goes on to say  
17 "Reflects Cardinal's distribution of opioid  
18 medications to customers in the city of Cleveland  
19 and Cuyahoga County and Summit County from January  
20 '96 to December 2012."

21 All right. So then it says "Cardinal has  
22 previously produced centralized records of orders  
23 placed by Cardinal Health customers in the City of  
24 Cleveland, Cuyahoga County and Summit County" --

1       that the company reported to the DEA and the state  
2       regulators from January to May 2018.

3               "Based on reasonable investigation to  
4       date, we have determined Cardinal does not have  
5       centralized records of orders for opioids placed  
6       by Cardinal customers in the City of Cleveland,  
7       Cuyahoga County, Summit County, and the company  
8       reported to the DEA and state regulations before  
9       January 2013."

10              What do you know about recordkeeping as  
11       far as records that are kept about the sale of  
12       narcotics in various areas of the country? What  
13       do you know about that process?

14              MR. PYSER: Object to form on  
15       everything until we got to the actual question.

16       A.     There's a two-year DEA recordkeeping  
17       requirement.

18       BY MR. PAPANTONIO:

19       Q.     Right, right. And does the company  
20       itself, Cardinal -- do you keep your records?

21              MR. PYSER: Object to form.

22       A.     Yes, there's recordkeeping requirements.

23       BY MR. PAPANTONIO:

24       Q.     Now, have any records -- you talked about

1 one way you get rid of records. Earlier on, you  
2 said you would shred them, correct? Did you tell  
3 me that, you would shred records?

4 MR. PYSER: Object to form. We're  
5 mixing --

6 BY MR. PAPANTONIO:

7 Q. Did you not say that you personally would  
8 shred documents?

9 MR. PYSER: Object to form. You're  
10 mixing and matching and misstating his prior  
11 testimony.

12 BY MR. PAPANTONIO:

13 Q. Am I right? Did you say that, you would  
14 shred documents?

15 A. Yes, yes.

16 Q. Okay. Now, do you know whether any of  
17 these documents about Cuyahoga County or Cleveland  
18 were shredded, as far as you know?

19 MR. PYSER: Object to form.

20 A. I have no knowledge of that.

21 BY MR. PAPANTONIO:

22 Q. And you would agree that CVS accounts for  
23 about -- would you agree that it accounts for  
24 about 20 percent of the gross trade of Cardinal?

1           A.    I don't know.  I don't know the percentage  
2   that they account for.

3           Q.    Would 20 percent sound reasonable to  
4   you?

5           A.    I could only say that they're the largest  
6   customer.

7           Q.    Okay.  They're the largest customer.

8                   And go to page .13.  It says "U.S.  
9   distributor registrants are subject to scheduled  
10   investigations."  That's where we left off, right?

11                   And you have actually participated in  
12   those investigations, haven't you?

13           A.    I would not be on-site for the  
14   investigation.

15           Q.    But you know about them?

16           A.    I would be alerted that there was an  
17   ongoing investigation at a distribution center.

18           Q.    And what's a letter of admonition?

19           A.    It's a letter issued by the DEA notifying  
20   a registrant of deficiencies found during a cyclic  
21   inspection.

22           Q.    And it's telling you you're doing  
23   something wrong, right?

24                   MR. PYSER:  Object to form.

1 BY MR. PAPANTONIO:

2 Q. During the inspection, they find you're  
3 doing something wrong?

4 A. It's an observation of your activities.

5 Q. How many letters of admonition do you  
6 recall the company receiving while you were  
7 there?

8 MR. PYSER: Object to form.

9 A. I don't have a number.

10 BY MR. PAPANTONIO:

11 Q. Was it in the dozens, do you recall?

12 MR. PYSER: Object to form.

13 A. All I can state is that we had a pretty  
14 good inspection history with the agency.

15 BY MR. PAPANTONIO:

16 Q. So you didn't receive any letters of  
17 admonition?

18 A. We did receive letters of admonition. I  
19 just don't know how many.

20 Q. Well, here in this one facility it just  
21 says "As a result of the scheduled investigation,  
22 two letters of admonition were issued and further  
23 investigations were conducted."

24 So -- but again, you weren't aware of what

1 was going on down in Lakeland? Was that your  
2 testimony? You weren't aware of these people --  
3 these facilities having their license suspended  
4 immediately in Lakeland? You didn't know about  
5 that?

6 MR. PYSER: Object to form. It's  
7 not what he testified to.

8 BY MR. PAPANTONIO:

9 Q. Or you did know about it?

10 MR. PYSER: Object to form.

11 A. I was aware that -- I was aware the  
12 license had been suspended.

13 BY MR. PAPANTONIO:

14 Q. Last paragraph down here, it says "On  
15 August 23, 2011, DEA headquarter's representative  
16 met with representatives of Mallinckrodt? Who is  
17 Mallinckrodt?

18 A. They are a prescription drug manufacturer.

19 Q. And you bought drugs from them, right?

20 A. I specifically didn't buy them. I'm sure  
21 the company did.

22 Q. Cardinal bought drugs from Mallinckrodt?

23 A. I would assume so.

24 Q. Then would you distribute drugs all over



1 the country, Cardinal would?

2 A. Yes.

3 Q. And so it says "Met with representative,  
4 Mallinckrodt, manufacturer, that sells hydrocodone  
5 to wholesale distributors, including Cardinal.  
6 About three weeks after the meeting with DEA,  
7 Mallinckrodt sent a letter to 43 distributors,  
8 including Cardinal, and the letter stated that  
9 they were no longer -- that there was no longer a  
10 chargeback process."

11 Tell us -- tell the jury what a chargeback  
12 process is.

13 MR. PYSER: Object to form.

14 A. I'm not really familiar with the  
15 chargeback process.

16 BY MR. PAPANTONIO:

17 Q. Well, what is -- what are discounts? Do  
18 you know what discounts are?

19 A. I'm not really familiar with the process  
20 that manufacturers have with the company.

21 Q. So in -- I'm sorry, how many years  
22 totaling were you with the company?

23 A. Twenty-eight.

24 Q. In 28 years nobody ever told you that --

1       that the company would give discounts -- that  
2       Mallinckrodt would give discounts to your  
3       customers depending on how much narcotics they  
4       sold?

5                               MR. PYSER:  Objection.

6       BY MR. PAPANTONIO:

7               Q.    You didn't know about that, correct?

8                               MR. PYSER:  Object to form.

9       Misstates evidence.

10            A.    Correct.

11       BY MR. PAPANTONIO:

12            Q.    Is that a correct statement?  You don't  
13       even know what a chargeback is?

14            A.    I've heard the term.

15            Q.    But the term you heard, is it consistent  
16       with this:  If a facility sells a lot of drugs,  
17       they get a discount in purchasing drugs?

18                               MR. PYSER:  Object to form.

19            A.    I don't specifically know the term.  I've  
20       heard the term.

21       BY MR. PAPANTONIO:

22            Q.    Where -- where did you hear that term if  
23       this -- this is not the first time you've heard  
24       the idea that your company was permitting.

1 Discounts for selling drugs, the more you sold,  
2 the bigger the discounts you get.

3 MR. PYSER: Object to form.

4 Misstates evidence.

5 BY MR. PAPANTONIO:

6 Q. Did you know your company was doing  
7 that?

8 MR. PYSER: Object to form.

9 A. Didn't know. I don't know how it works.

10 BY MR. PAPANTONIO:

11 Q. And if I recall, you didn't even know how  
12 many numbers -- you had no way to follow even the  
13 numbers of narcotics that were being sold in the  
14 United States when you're with regulatory  
15 quality --

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. -- correct?

19 MR. PYSER: Object to form.

20 Misstates.

21 A. Correct.

22 BY MR. PAPANTONIO:

23 Q. How were you -- how were you avoiding  
24 diversion? How were you helping in avoiding

1 diversion when you don't even know how many pills  
2 are being sold all over the United States?

3 MR. PYSER: Object to form.

4 A. The regulation is a two-step process for  
5 us. You know, you've got to operate and design a  
6 system, design and operate a system. We had a  
7 system. The DEA approved. We continued to submit  
8 that to them up through 2007.

9 BY MR. PAPANTONIO:

10 Q. Well, you would agree --

11 MR. PYSER: Let him -- Counsel, let  
12 him finish his answer.

13 BY MR. PAPANTONIO:

14 Q. Are you finished?

15 A. No, I'm not.

16 Q. Go ahead.

17 A. And also within our distribution  
18 centers -- also within our distribution centers,  
19 our employees were trained to identify anything  
20 that they -- orders they were filling in the cage  
21 or vault that may look out of the ordinary and  
22 flag those for further investigation and then make  
23 a determination should we report those to the  
24 DEA.

1           Q.    So Mallinckrodt is telling your company  
2    that they're not going to allow for discounts  
3    anymore, and you did not know prior to today that  
4    your company was providing discounts according to  
5    how many drugs were being sold throughout the  
6    country.

7                    You did not know that.  That's your  
8    testimony, correct?

9                   MR. PYSER:  Object to form.  
10   Misstates evidence.  Misstates what the document  
11   says.

12   BY MR. PAPANTONIO:

13           Q.    Is that a correct statement, you did not  
14   know about that?

15                   MR. PYSER:  Object to form.

16   BY MR. PAPANTONIO:

17           Q.    You did not know what a chargeback even  
18   was prior to the time I just raised it with you,  
19   did you?

20           A.    Did not know about the charge -- didn't  
21   know about the chargeback process and how it  
22   works.

23                   MR. PYSER:  Object to form.  The  
24   question changed about three times on that last

1 one.

2 BY MR. PAPANTONIO:

3 Q. Go to page 15.15 there, please.

4 The second paragraph, "On October 26,  
5 2011, DEA executed an AIW at respondent's  
6 location."

7 Tell the jury what an AIW is.

8 A. Administrative inspection warrant.

9 Q. It's a warrant. It's a search warrant,  
10 correct?

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. It's a search warrant, isn't it?

14 A. Correct.

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Just like going to somebody's house and  
18 you want to do a search warrant to find out if  
19 they've got drugs in their house. You have to get  
20 a search warrant to do it. You've had to get  
21 search warrants before, right?

22 MR. PYSER: Objection to form on the  
23 prelude.

24 A. Yes.

1 BY MR. PAPANTONIO:

2 Q. So in other words, as a police officer,  
3 you're well aware of what a search warrant  
4 requires, right?

5 A. Yes.

6 Q. And a search warrant requires probable  
7 cause, doesn't it?

8 MR. PYSER: Object to form and  
9 relevance.

10 BY MR. PAPANTONIO:

11 Q. Right?

12 A. Yes.

13 Q. As a matter of fact, before you can get a  
14 search warrant, you have to show that the conduct  
15 of that site you want to search -- there's some  
16 bad things going on, before you have a chance the  
17 get a search warrant, right?

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. True?

21 A. Probable cause.

22 Q. Probable cause. So "On October 2011, DEA  
23 executed an AIW at respondent's location. The  
24 affidavit supporting" -- and that's your location.

1 We're talking about Cardinal's location, right?

2 A. Yes.

3 Q. "The affidavit supporting the warrant --  
4 search warrant stated that because DEA's  
5 investigating Cardinal's top four customers to  
6 determine whether the pharmacies are dispensing  
7 controlled substances outside their scope of  
8 registration, DEA also needs to determine whether  
9 Cardinal has failed to report suspicious orders to  
10 the DEA."

11 Now, you know that you did fail to report  
12 suspicious orders to the DEA, right? As you sit  
13 here, you're well aware that your company failed  
14 to report suspicious orders to the DEA?

15 MR. PYSER: Object to form.  
16 Misstates evidence. Confusing a criminal search  
17 warrant with an administrative inspection warrant.

18 A. We reported suspicious orders to the DEA  
19 during my time in anti-diversion with an approved  
20 DEA report.

21 BY MR. PAPANTONIO:

22 Q. Do you understand who's writing this  
23 report that we're reading here right now? Who is  
24 it?



1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. It's the DEA, isn't it?

4 A. Yes.

5 Q. \*So you're telling the jury right now --

6 I'm having trouble following this, so let me ask

7 the question this way: You're reading a report

8 where the DEA is making a statement about all the

9 things that Cardinal did wrong as far as following

10 the law on the sale of narcotics, correct? Can we

11 agree to that?

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. Right?

15 A. I'm speaking to my time in anti-diversion

16 up until 2007.

17 Q. Listen to my question.

18 MR. PAPANTONIO: Madam Reporter,

19 read the question back again.

20 BY MR. PAPANTONIO:

21 Q. I want you to answer this question so

22 we're very clear on what we're talking about here.

23 MR. PAPANTONIO: Could you read my

24 question back?

1 MR. PYSER: Object to form.

2 \*(Question read.)

3 BY MR. PAPANTONIO:

4 Q. Listen to the question.

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. Can we agree to that? That's what this  
8 report is, right?

9 MR. PYSER: Object to form.

10 A. I can agree that that's what the report  
11 sets.

12 BY MR. PAPANTONIO:

13 Q. Yeah, but you just told us that you did  
14 everything right. You said you had a system that  
15 did DEA approved. Didn't you just tell us that?

16 MR. PYSER: Object to form.

17 A. My time in anti-diversion, when I was part  
18 of that, yes.

19 BY MR. PAPANTONIO:

20 Q. Okay. So if you're telling me that, then  
21 you're saying in 2008 where you were busted --  
22 where Cardinal was busted the first time and had  
23 to write an MOU -- you're saying you were doing  
24 everything right there, according to the DEA?

1 MR. PYSER: Object to form.

2 A. Based on the guidance we received from  
3 DEA, the approval of the report, we were doing --  
4 making good-faith effort to meet the requirements.

5 BY MR. PAPANTONIO:

6 Q. This document is right in front of you.  
7 It's a 2008 document and the DEA is busting you  
8 for not doing this properly. And you're saying  
9 you had a system that worked, didn't you?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. So which is true --

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. -- the DEA or you?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. Who do we believe here?

19 MR. PYSER: Object to form.

20 A. We had a system. They approved.

21 BY MR. PAPANTONIO:

22 Q. Well, you had a system. You say they  
23 approved again in 2012, where they're busting you  
24 again, where you're not complying with the law as

1 far as the sale of narcotics in this country --

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. -- right?

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. That's what this is about?

8 MR. PYSER: Object to form.

9 A. I was no part of the anti-diversion in  
10 2012. I can't speak to the system.

11 Q. But you were in 2008?

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. All the things -- don't you remember when  
15 I showed you the 2008 document? It was definitely  
16 right during your watch when all those bad things  
17 were taking place that they -- they suspended  
18 licenses for. That was during your watch, wasn't  
19 it?

20 A. And during that time we submitted the  
21 report that DEA approved.

22 Q. Right. Okay. So you're saying, oh, you  
23 did everything right and you don't understand why  
24 the DEA might have taken your license away in

1       several facilities. You just don't understand why  
2       they did that?

3                       MR. PYSER: Object to form. Object  
4       to form on the last one. You've got to give me a  
5       minute to interject an objection. Go ahead and  
6       answer the question.

7       BY MR. PAPANTONIO:

8               Q.    You really don't understand that the --  
9       you're -- scratch that.

10                   A) You're telling me you had a system that  
11       did DEA approved of; B) we're seeing and the jury  
12       is seeing that in 2008 the DEA said -- they fined  
13       you \$34 million. You know that, right?

14                   MR. PYSER: Object to form.

15               A.    Yes.

16       BY MR. PAPANTONIO:

17               Q.    Does that sound like you're doing things  
18       right?

19                   MR. PYSER: Object to form.

20               A.    Not in the eyes of the agency.

21       BY MR. PAPANTONIO:

22               Q.    Okay. There we go.

23                   Okay. And in 2012, again, who is writing  
24       this report that we're -- we've been talking about

1 all morning?

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. The DEA, isn't it?

5 MR. PYSER: Object to form. It's  
6 not a report.

7 BY MR. PAPANTONIO:

8 Q. It's the DEA?

9 MR. PYSER: Object to form.

10 A. DEA authored it.

11 BY MR. PAPANTONIO:

12 Q. Yeah, DEA authored it. And you just told  
13 us, gee whiz, we're doing everything the DEA  
14 requires. Didn't you tell us that just a minute  
15 ago?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. You're doing everything DEA requires,  
19 right?

20 MR. PYSER: Object to form.

21 A. We felt that we were.

22 BY MR. PAPANTONIO:

23 Q. Yeah, well, apparently you weren't --

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. -- according to this report, right?

3 MR. PYSER: Object to form.

4 Counsel, let's --

5 BY MR. PAPANTONIO:

6 Q. Do you have any idea?

7 MR. PYSER: Before your next

8 question, Counsel, in the next two or three

9 minutes, let's take a lunch break. You can reach  
10 a normal --

11 MR. PAPANTONIO: Well, we'll take it  
12 right now. We'll take -- we'll take a 30-minute,  
13 40 -- let's do 45 minutes.

14 MR. PYSER: To be clear, there's no  
15 pending question right now.

16 MR. PAPANTONIO: Well, let me do one  
17 then.

18 MR. PYSER: No. You're not doing a  
19 pending question so we can take a lunch break.

20 MR. PAPANTONIO: No, no. We're  
21 going to put it on the record.

22 MR. PYSER: We are off the record.

23 MR. PAPANTONIO: This is the pending  
24 question.

1 MR. PYSER: We are off the record.

2 MR. PAPANTONIO: No, we are not off  
3 the record.

4 MR. PYSER: We are off the record.

5 MR. PAPANTONIO: We're going to go  
6 back on the record.

7 MR. PYSER: Counsel, you don't have  
8 the right to ask a pending question.

9 MR. PAPANTONIO: We haven't gone off  
10 the record.

11 BY MR. PAPANTONIO:

12 Q. Okay. So this is the pending -- this is  
13 the pending question. Here's the pending  
14 question: I want to ask you about any involvement  
15 that you had in making decisions that affected the  
16 DEA taking away suspended licenses in facilities  
17 anywhere in America.

18 What was your role in that decision-making  
19 process?

20 MR. PYSER: Objection. Move to  
21 strike.

22 MR. PAPANTONIO: That's the pending  
23 question.

24 MR. PYSER: But before we go to



1 lunch, go ahead and answer the question.

2 MR. PAPANTONIO: Well, it's a  
3 multi-part question. There's going to be a lot of  
4 parts to that question.

5 BY MR. PAPANTONIO:

6 Q. But you want to answer that question?  
7 What role did you have?

8 MR. PYSER: That's a single  
9 question. Counselor --

10 MR. PAPANTONIO: No.

11 BY MR. PAPANTONIO:

12 Q. What role did you --

13 MR. PYSER: You know what, move to  
14 strike. We're already off the record.

15 MR. PAPANTONIO: Counsel, do not --  
16 do not -- do not talk to this witness because I  
17 will --

18 MR. PYSER: I'm talking to you,  
19 Counselor.

20 MR. PAPANTONIO: I promise you.

21 MR. PYSER: We will --

22 MR. PAPANTONIO: If you talk to this  
23 witness about what we've talked about, you will be  
24 embarrassed when you come back. Thank you for

1 taking --

2 MR. PYSER: We are not going to do  
3 anything improper.

4 MR. PAPANTONIO: Good.

5 MR. PYSER: Your behavior is wildly  
6 inappropriate.

7 MR. PAPANTONIO: Okay. Well, do a  
8 motion on it.

9 MR. PYSER: When you go on a lunch  
10 break --

11 MR. PAPANTONIO: Do a motion.

12 MR. PYSER: -- you don't get to ask  
13 a question so there's a pending question. The  
14 question is -- the question is stricken. The  
15 rules from the Court are clear. Your attempts to  
16 violate them are inappropriate. We are done. We  
17 are on lunch.

18 THE VIDEOGRAPHER: The time is 12:23  
19 p.m. We are off the record.

20 MR. PAPANTONIO: I recommend you  
21 don't talk to this witness, okay.

22 MR. PYSER: Counsel, I am allowed to  
23 talk to the witness, not about pending questions.  
24 The deposition protocol is clear -- I'd like to go

1 back on the record to read the deposition  
2 protocol.

3 MR. PAPANTONIO: I know the  
4 deposition protocol. Why don't you take --

5 MR. PYSER: You clearly don't --

6 MR. PAPANTONIO: We're going to get  
7 on the record about what you did talk to this  
8 witness about, okay. I have to go eat.

9  
10 (Mr. Papantonio exits conference room.)

11  
12 MR. PYSER: You don't know the  
13 deposition protocol. The deposition protocol is  
14 states as follows: "Communications between a  
15 witness and his or her counsel during a break  
16 taken with no question pending shall not be the  
17 subject of inquiry. Such conversations are  
18 subject to the attorney-client work product  
19 privileges."

20 There is no question pending. We will not  
21 violate the protocol, but we are allowed to speak  
22 to the witness. I want to talk to him about the  
23 Celtics game he's going to tonight with his  
24 daughter and wife. I have every right to do that.

1 And counselor is wrong and inappropriate and  
2 violating the rules of deposition protocol.

3 We can go off the record.

4

5 (Recess was taken at 12:24 p.m.)

6

7 MS. MOORE: I'm putting in Cardinal  
8 Reardon 14, which is the distribution center map  
9 overlaid onto the death map of 2016.

10

11 (Exhibit No. 14 marked for  
12 identification.)

13

14 MS. MOORE: We're going to put in  
15 plaintiffs' counsel's drawing of salesperson,  
16 Cardinal Reardon 11.

17

18 (Exhibit No. 11 marked for  
19 identification.)

20

21 (On the record at 1:11 p.m.)

22

23 THE VIDEOGRAPHER: The time is 1:11  
24 p.m., and we're on the record.

1

2 BY MR. PAPANTONIO:

3 Q. So, sir, you're looking at document 4085,

4 go to .15. 4085.15.

5 Do you remember we were talking about the

6 warrant as being issued by the DEA, the AIW?

7 MR. PYSER: Ongoing objection to the

8 use of this document.

9 BY MR. PAPANTONIO:

10 Q. You remember the AIW search warrant issued

11 by the drug enforcement agency?

12 A. Yes.

13 Q. Now, that warrant, the second paragraph,

14 "On October 26, 2011, DEA executed an AIW to

15 respondent's location. The affidavit supporting

16 the warrant stated the DEA is investigating

17 Cardinal's top four customers to determine whether

18 pharmacies are dispensing controlled substances

19 outside the scope of the registration."

20 Now, that would be called diversion,

21 correct?

22 MR. PYSER: Object to form.

23 A. Correct.

24 BY MR. PAPANTONIO:

1           Q.    "DEA also needs to determine whether  
2    Cardinal has failed to report suspicious orders to  
3    the DEA."

4                   Do you see that?

5           A.    Yes.

6           Q.    You remember you told me -- you've been  
7    telling me that what you did is you would do these  
8    things that you called ingredient reports, right?  
9    Something called ingredient reports? Right? And  
10   you would send them to the DEA? Did you tell me  
11   that?

12          A.    In this time frame?

13          Q.    Well, any time frame. Tell me about your  
14   ingredient reports that you sent those to the DEA,  
15   correct?

16          A.    Correct, up until 2007 and maybe in the  
17   first three months of 2008, there was a  
18   transition.

19          Q.    All right. Well, let's get this right.

20                   Your company started selling narcotics as  
21   early as what year?

22                   When did you start -- when did Cardinal  
23   first start distributing narcotics all over the  
24   country?

1 A. I don't know the answer to that question.

2 Q. Was it prior to 2000?

3 Well, you were with the company then. You

4 started with the company when?

5 MR. PYSER: Object to form.

6 A. The company existed before I started.

7 BY MR. PAPANTONIO:

8 Q. Okay. When did you start?

9 A. 1988.

10 Q. Were they distributing narcotics

11 throughout the country in 1988?

12 A. Yes.

13 Q. And you were following the law that you

14 were supposed to follow -- if you were complying

15 with the law, you were following CFR 21,

16 correct?

17 MR. PYSER: Object to form.

18 A. Correct.

19 BY MR. PAPANTONIO:

20 Q. Because CFR 21 had already been written in

21 1971, correct?

22 MR. PYSER: Object to form.

23 A. Correct.

24 BY MR. PAPANTONIO:

1 Q. So in 1988, we can establish that you  
2 already involved -- as far as you knew, the  
3 company was already involved in selling narcotics  
4 throughout the United States, true?

5 A. Not throughout the United States.

6 Q. Well, they were selling narcotics in the  
7 country, in the United States, weren't they?

8 A. Yes.

9 Q. And you were having to comply supposedly  
10 with CFR 21, true?

11 MR. PYSER: Object to form.

12 A. Correct.

13 BY MR. PAPANTONIO:

14 Q. And you knew, sir, that it wasn't enough  
15 for just -- just reporting a suspicious order was  
16 not enough? That did not fulfill your obligation.  
17 Simply just reporting a suspicious order to the  
18 DEA was not where your obligation stopped, is  
19 it?

20 MR. PYSER: Object to form.

21 A. We were required to design and operate a  
22 system to identify suspicious orders and report  
23 those to DEA.

24 BY MR. PAPANTONIO:



1 Q. And you felt like that's all you were  
2 supposed to do, identify the order and report it  
3 to the DEA? Is that your testimony?

4 MR. PYSER: Object to form.  
5 Misstates testimony.

6 A. In two steps. In the second step of what  
7 we did, our employees in our distribution centers  
8 who were filling orders would also identify  
9 anything that they felt warranted further  
10 investigation and then contact the local DEA to  
11 make a determination as to whether or not they  
12 could ship it.

13 BY MR. PAPANTONIO:

14 Q. Well, sir, we're going to see -- you  
15 understand that you identified suspicious orders  
16 and shipped the narcotic anyway after you  
17 determined that it was a suspicious order. Your  
18 company did that routinely, didn't they?

19 MR. PYSER: Object to form.  
20 Misstates evidence.

21 BY MR. PAPANTONIO:

22 Q. Yes or no?

23 A. The requirement was to report them.

24 Q. Okay. But -- so okay. So your -- in your

1 head, the only requirement was for you to report  
2 them? We can agree on that, right?

3 MR. PYSER: Object to form.

4 A. Correct.

5 MR. PYSER: Object to form. Asked  
6 and answered. Misstates testimony.

7 BY MR. PAPANTONIO:

8 Q. Report them? Is that your testimony?

9 A. That's what the regulation states.

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. And you know the regulation was written in  
13 1971, and it told you you had to do a lot more  
14 than just report the suspicious order to the DEA?  
15 You know that as we sit here today, that your  
16 obligation was to do more than report it to the  
17 DEA, correct?

18 MR. PYSER: Object to form.

19 A. Based on additional guidance from DEA that  
20 evolved over time, yes.

21 BY MR. PAPANTONIO:

22 Q. Wait a second. Now, you started -- you --  
23 right now we understand you're selling the drug  
24 all the way back to -- you know that they're

1       selling it in 1988, correct?   Selling the drug in  
2       1988?

3           A.     Correct.

4                       MR. PYSER:   Object to form.

5       BY MR. PAPANTONIO:

6           Q.     Let's put --

7                       MR. PYSER:   Vague as to "the drug."

8       BY MR. PAPANTONIO:

9           Q.     Let's put this on the chart.   Let's put  
10       this on the Elmo.   Could you give me that Elmo,  
11       please.   It's coming up.

12                    Do you have a piece of tape?   I'm going to  
13       make this all one document.

14                    So your company starts -- as far as you  
15       know, you knew that they were selling drugs --  
16       narcotics in 1988, correct?

17                    Is that right?

18           A.     Correct.

19           Q.     And you knew that there was already a law  
20       that they had to follow that was written in 1971,  
21       correct?

22           A.     Correct.

23           Q.     And so let me write, selling narcotics.

24                    MR. PYSER:   An ongoing objection to

1       this demonstrative.

2                               MR. PAPANTONIO:   Yeah, okay, I hear  
3       you.

4       BY MR. PAPANTONIO:

5               Q.    So the next thing is we find out you  
6       know -- well, actually, let's just show it to him.  
7       Show him 4008.   Show him 4008, please.

8                       Sir, tell me who -- you said you never met  
9       Mr. Rannazzisi, is that correct?   You told me  
10      that?

11            A.    Correct.

12            Q.    Give one to your counsel there, if you  
13      would.

14                       MR. PYSER:   Thank you.

15       BY MR. PAPANTONIO:

16            Q.    So this document, I don't believe you've  
17      ever seen, I don't think so.   It's 2007.   December  
18      2007, right?

19                       MR. PYSER:   Object to form.

20            A.    Correct.

21       BY MR. PAPANTONIO:

22            Q.    And it says right up at the top, Cardinal  
23      Health, and it gives the address, Syracuse,  
24      New York.   Do you see that?

1 A. Yes.

2 Q. It says "Dear Registrant."

3 First of all, let's look at who it's from.

4 Look on the last page. You see who that's from

5 Joseph Rannazzisi. Do you see that?

6 A. Yes.

7 Q. And you knew Joseph, correct?

8 MR. PYSER: Object to form.

9 A. I knew of him.

10 BY MR. PAPANTONIO:

11 Q. You knew of him.

12 It says "Dear Registrant. This letter is

13 being sent to every entity in the United States

14 registered with the Drug Enforcement

15 Administration, DEA, to manufacture or distribute

16 controlled substances."

17 Then it says "The purpose of this letter

18 is to reiterate the responsibilities of controlled

19 substance manufacturers and distributors to inform

20 DEA of suspicious orders in accordance with 21

21 CFR."

22 Do you see that? And you're familiar with

23 what 21 CFR is, right?

24 A. Yes.

1           Q.    "In addition to, and not in lieu of, the  
2    general requirement under 21 USC 823 that  
3    manufacturers and distributors maintain effective  
4    controls against diversion, DEA regulations  
5    require that all manufacturers and distributors to  
6    report suspicious orders of controlled  
7    substances."

8                   Do you see that?

9           A.    Yes.

10          Q.    And then it goes on to say, if -- if you  
11   look at the next paragraph, look at what that is  
12   controlling -- this control of suspicious orders.

13                It says "The regulation also requires that  
14   the registrant inform local DEA division office of  
15   suspicious orders when discovered by the  
16   registrant."

17                You're saying you did? That's your  
18   testimony, right?

19                Right?

20          A.    In using the ingredient limit report and  
21   the process that we employed by our -- used by our  
22   employees in the distribution centers.

23          Q.    And we've seen the results of you using  
24   the ingredient report. We know that in 2008 that

1     you had to pay \$34 million fine because you were  
2     not following the laws pursuant to the CFR,  
3     correct? We've already talked about that, right?

4           A.     That was the allegation.

5           Q.     And you paid a \$34 million fine?

6                   MR. PYSER: Object to form.

7     BY MR. PAPANTONIO:

8           Q.     Correct? You didn't, but your company  
9     did?

10          A.     Correct.

11          Q.     And it says, if you look at the last  
12     paragraph -- the last line of that         Paragraph  
13     3, it says "Reporting an order" -- here it is,  
14     "Reporting an order as suspicious will not absolve  
15     the registrant of responsibility if the registrant  
16     knew or should have known that the controlled  
17     substances were being diverted."

18                 Right? That's what it says, isn't it?  
19     It's very clear.

20                 MR. PYSER: Object to form.

21     BY MR. PAPANTONIO:

22          Q.     Right? "Reporting an order as suspicious  
23     will not absolve the registrant of responsibility  
24     if the registrant" -- underline "knew or should

1       have known," please -- "knew or should have known  
2       that the controlled substances were being  
3       diverted."

4                       That's what it says?

5                       MR. PYSER: Object to form.

6       A.     Yes.

7       BY MR. PAPANTONIO:

8       Q.     Did I read that right?

9       A.     Yes.

10       Q.     So in other words, sir, your  
11       responsibility is more than just reporting to the  
12       DEA. This is telling you that's not enough. You  
13       can't just report to the DEA and be absolved of  
14       your responsibility. You know that, don't you?

15                       MR. PYSER: Object to form.

16       BY MR. PAPANTONIO:

17       Q.     True?

18       A.     As of the meeting they had in September of  
19       '07 and then subsequently this letter.

20       Q.     Because truthfully, you weren't doing --  
21       you were not doing anything except sending in  
22       reports to the DEA. That's all you did, true?

23                       MR. PYSER: Object to form.

24       Misstates evidence.



1 BY MR. PAPANTONIO:

2 Q. Yes?

3 A. No. The employees in the distribution  
4 centers were identifying orders and contacting the  
5 local office of the DEA.

6 Q. Right. And even if you knew or should  
7 have known that there was some illegal activity  
8 going on, that's all you did was send in the  
9 report of a suspicious order?

10 MR. PYSER: Object.

11 BY MR. PAPANTONIO:

12 Q. True?

13 MR. PYSER: Object to form.  
14 Misstates evidence.

15 A. No. The employees were contacting the  
16 local office on orders.

17 BY MR. PAPANTONIO:

18 Q. Well, what are we talking about? Let's  
19 look at the second page here.

20 Have you seen this letter, by the way,  
21 prior to me showing it to you today?

22 Has anybody -- has anybody with the  
23 company taken the time to actually share with you  
24 what your responsibilities were?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. In this letter?

4 A. I've seen it.

5 Q. Okay. You see the second paragraph, it  
6 says "Daily, weekly, or monthly reports submitted  
7 by registrant indicating excessive purchases do  
8 not comply with the requirement to report  
9 suspicious orders even if the registrant calls to  
10 report suspicious reports."

11 Did you know that that was the standard?  
12 That, look it's not -- you're not complying with  
13 it simply by saying, hey, we've got a suspicious  
14 order. You understand that, right?

15 MR. PYSER: Object to form.

16 A. I became aware of this at the September  
17 DEA conference.

18 BY MR. PAPANTONIO:

19 Q. 2007? Is that when you're saying?

20 A. Yes.

21 Q. So were you selling drugs between 1988 and  
22 2007 without ever complying with what this letter  
23 is saying here, right?

24 A. We --

1 MR. PYSER: Object to form.

2 A. Object to form. Misstates evidence.

3 BY MR. PAPANTONIO:

4 Q. You were not complying with what this  
5 letter says between 1988 when you were selling  
6 narcotics and 2007, correct?

7 MR. PYSER: Object to form.

8 A. We were submitting what the DEA approved  
9 with our trade association to them on a monthly  
10 basis, along with what our employees did in our  
11 distribution centers by contacting the local DEA  
12 when they came across something that was  
13 suspicious to them.

14 BY MR. PAPANTONIO:

15 Q. Well, how about this last paragraph that  
16 says "Lastly, registrants that routinely report  
17 suspicious orders yet fill these orders without  
18 first determining that the order is not being  
19 diverted into other legitimate medical,  
20 scientific, and industrial channels may be failing  
21 to maintain effective controls against diversion."

22 Did I read that right?

23 A. Yes.

24 Q. And that's what exactly, exactly what you

1       were accused of in 2008, a year after this letter  
2       was written to you -- to your company?

3                       MR. PYSER:  Objection.

4       BY MR. PAPANTONIO:

5               Q.     2008, you had to sign an MOU where your  
6       company paid \$34 million because you weren't  
7       following the law.  We already talked about that  
8       today, haven't we?

9                       MR. PYSER:  Object to form.

10            A.     Yes.

11       BY MR. PAPANTONIO:

12            Q.     And the letter -- this is -- this document  
13       is 2007.  That's a year before, right?

14                       MR. PYSER:  Object to form.

15            A.     After the '07 September meeting and  
16       subsequent to receiving this letter, Cardinal  
17       moved to change the program to meet what we were  
18       told was a standard at the Houston DEA meeting as  
19       well as this letter.

20       BY MR. PAPANTONIO:

21            Q.     Well, how about all the years in between  
22       1988 and 2007, we're just -- where you have drugs  
23       being sent -- narcotics being sent all over the  
24       country and you're not doing it in compliance with

1       these standards?

2                   Is that just okay? Do we forgive the 1988

3       to 2007? Is that what you're asking us to do?

4           A.     We submitted.

5                   MR. PYSER: Objection. Wait.

6       Object to form. Objection. Argumentative.

7       BY MR. PAPANTONIO:

8           Q.     Is that what you -- is that what you're

9       telling the jury right now that, yes, between 1988

10      and 2007, we didn't do any of this -- what the DEA

11      is talking about in 2007?

12                   MR. PYSER: Objection.

13      BY MR. PAPANTONIO:

14           Q.     Is that what you're telling us?

15                   MR. PYSER: Object to form.

16      Objection. Argumentative.

17      BY MR. PAPANTONIO:

18           Q.     Yes or no?

19                   MR. PYSER: Objection.

20           A.     We provided to DEA what they approved.

21      BY MR. PAPANTONIO:

22           Q.     Well, we saw what -- how that worked out.

23      In 2007, they're telling you again, again they're

24      telling you. They told you in 2006 what you could

1 or couldn't do. Then they told you in 2007 what  
2 you could or could not do. And then in 2008, sure  
3 enough, you're busted again. You have to pay a  
4 \$34 million fine for not doing it right.

5 Is that -- is that what we've been --  
6 that's exactly the history we've been talking  
7 about today, right?

8 MR. PYSER: Object to form.  
9 Objection, compound. Objection, argumentative.

10 BY MR. PAPANTONIO:

11 Q. Is that right? Isn't that what we've just  
12 been reviewing all morning?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. Yes or no?

16 A. We have been discussing that, yes.

17 Q. So now we're talking about clearly -- it  
18 was very clear that you can't just report a  
19 suspicious order, that you have an obligation to  
20 go ahead and do research and to find out what's  
21 going on with that facility, don't you?

22 You have an obligation -- a legal  
23 obligation to do that, don't you?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Yes or no?

3 MR. PYSER: Object to form.

4 Objection. Vague as to time.

5 BY MR. PAPANTONIO:

6 Q. Yes or no?

7 A. Based on what we determined to be new  
8 guidance from the DEA in 2007, we moved in that  
9 direction.

10 Q. Oh, so you said we had new -- so you're  
11 saying 2007 is the first time you had new guidance  
12 from the DEA? Is that what you're telling us?

13 MR. PYSER: Object to form.

14 Objection. Misstates testimony.

15 BY MR. PAPANTONIO:

16 Q. Does that misstate what you just said?  
17 You just told me that 2007, they provided guidance  
18 for you, the DEA, for the first time. Isn't that  
19 what you told me?

20 MR. PYSER: Object to form. You're  
21 making a statement that's broader than what the  
22 witness said. You're misstating what he said.

23 MR. PAPANTONIO: Sir, objection as  
24 to form. Keep it at that. Do not coach this

1 witness.

2 MR. PYSER: I'm not coaching him,  
3 Counsel.

4 MR. PAPANTONIO: Yes, you are. It's  
5 very apparent that you're coaching the witness.

6 BY MR. PAPANTONIO:

7 Q. Sir, I'm going to ask you the question.  
8 He can blab as much as he wants. You need to  
9 listen to my question and answer it. Give him a  
10 chance to object. He is going to say "objection  
11 to form," and I need the questions answered.

12 Do you understand that?

13 MR. PYSER: Objection.

14 BY MR. PAPANTONIO:

15 Q. Do you understand that, sir?

16 MR. PYSER: Objection. Please stop  
17 shouting at the witness. That's enough --

18 BY MR. PAPANTONIO:

19 Q. Do you understand? Do you understand?

20 MR. PYSER: That's enough  
21 instruction from you to the witness. You're  
22 raising your voice to the witness. It's  
23 inappropriate.

24 MR. PAPANTONIO: And you quit



1 objecting beyond form. Okay? Stop it right now  
2 and we'll do fine here today. But otherwise,  
3 you're going to have follow the rules, the same  
4 kind of rules that you put on the record here.  
5 Stop it now.

6 MR. PYSER: I've been following the  
7 rules all day.

8 BY MR. PAPANTONIO:

9 Q. Okay. Here's the question. Here's the  
10 question again.

11 You said the first time that the DEA made  
12 it -- made you aware of what the rules were is  
13 2007. Was that your testimony?

14 MR. PYSER: Object to form.

15 A. In 2007, at the DEA conference, there was  
16 a presentation about a new program that another  
17 wholesaler developed, and DEA commented that this  
18 is the new industry standard, this is what we  
19 expect you to do.

20 BY MR. PAPANTONIO:

21 Q. No, sir, they told you the same thing in  
22 2006, didn't they? They told you the same thing  
23 in 2006 that I just read in 2007, didn't they?  
24 Didn't Rannazzisi tell you -- send you another

1 letter in 2006?

2 A. The letters were slightly different.

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. Well, how about this, how about when you  
6 met face-to-face with the DEA in 2005? They told  
7 you then, sir, didn't they? In 2005, they told  
8 you that any sales -- monthly sales in excess of  
9 5,000 pills per month would be considered  
10 excessive. The DEA told you that face-to-face,  
11 didn't they?

12 MR. PYSER: Object to form.

13 A. That meeting was with respect to  
14 identifying who might be Internet pharmacies.

15 BY MR. PAPANTONIO:

16 Q. That's not my question. I want to ask you  
17 again.

18 You were told in 2005 that any sales above  
19 5,000 would be considered excessive. You were  
20 told that face-to-face, weren't you? Face-to-face  
21 with the DEA they told you that, right?

22 MR. PYSER: Object to form.

23 Misstates testimony.

24 BY MR. PAPANTONIO:

1 Q. Yes or no? Yes or no?

2 A. As it applies to Internet pharmacies.

3 Q. Okay. So Internet pharmacies, you're  
4 saying you knew clearly -- and you were in the  
5 business of selling drugs to Internet pharmacies,  
6 right, your company was?

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. Right?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. 4781, please.

13 A. Yes.

14 Q. You met with the DEA in 2005,  
15 face-to-face. Show him this document, please,  
16 4781.

17 Sir, while she's looking for that, you  
18 were told point blank that the norm for -- the  
19 norm for a pharmacy -- an Internet pharmacy should  
20 be 5,000, right?

21 MR. PYSER: Object to form.

22 Counsel, what's the exhibit number on this?

23 MR. PAPANTONIO: 4781.

24 MR. PYSER: Mr. Reardon, what's the

1 exhibit number on the document you're looking at?

2

3 (Exhibit No. 15 marked for

4 identification.)

5

6 BY MR. PAPANTONIO:

7 Q. Do you see this? Did anybody show this to

8 you before you came in here today?

9 A. (Witness reviews document.)

10 MR. PYSER: Objection. I caution

11 the witness not to reveal the content of

12 communications with counsel.

13 BY MR. PAPANTONIO:

14 Q. Did anybody show this to you before you

15 came in here today, let's say from the company?

16 A. (Witness reviews document.)

17 Q. Sir, I mean, do you recognize --

18 A. I'm reading it.

19 Q. You recognize it, don't you? And you know

20 that in 2005, you -- well, look at the top.

21 "We should potentially keep an eye on the

22 new customer in Austin." I believe it was Smart

23 Choice, right? That's the first line there. And

24 then it says, from Steve Ray -- I mean, Pete, Pete

1       Stoy. Tell me who that is.

2                       MR. PYSER: Object to form.

3       BY MR. PAPANTONIO:

4       Q.     Who is Pete Stoy?

5       A.     I believe he was in operations.

6       Q.     And it was sent to, let's see, Eric --

7       Eric -- let's see. Eric Bolling. Who is that?

8       A.     I'm not sure.

9       Q.     Well, it was sent to these people  
10      underneath there, and it says, the next thing is  
11      "Please let me know if any of these types of  
12      prospects may be on our radar now or if any come  
13      up."

14               Now, it's got your name after that, Steve  
15      Reardon, very clearly, right there, Steve Reardon  
16      right on -- right up on top of that, right?

17               MR. PYSER: Object to form.

18      BY MR. PAPANTONIO:

19      Q.     Do you see that?

20      A.     Yes.

21      Q.     And the date underneath it is 2005,  
22      correct? Correct?

23      A.     Correct.

24      Q.     It says "Internet pharmacies," true?

1 A. Correct.

2 Q. So he's talking to you about Internet  
3 pharmacies. It says "DEA has recently initiated  
4 investigations of Internet pharmacies who are  
5 purchasing excessive quantities of controlled  
6 substances, primarily phentermine and hydrocodone,  
7 and dispensing these controlled substances without  
8 a valid prescription, in that there was no -- in  
9 that there was not the required doctor/patient  
10 relationship."

11 Sir, you understood -- you understand you  
12 were sending narcotics, you were -- you were  
13 supplying -- scratch that.

14 You were supplying the Internet businesses  
15 with narcotics that you understood were being sent  
16 all over the country. You know that as we sit  
17 here today, don't you?

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. True? Did you not know that?

21 A. I know we sold to Internet pharmacies.

22 Q. And you know that you were told in 2005  
23 that these Internet pharmacies, some of them  
24 actually had never even made consultations with

1 doctors about the patients that they were filling  
2 the prescriptions for, true?

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. You knew that?

6 MR. PYSER: Objection.

7 BY MR. PAPANTONIO:

8 Q. 2005?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Correct?

12 A. We had the meeting with the DEA in August  
13 of 2005.

14 Q. Well, we -- it was you. It says you were  
15 face-to-face with the DEA, and that's where this  
16 whole thing started.

17 Remember, I was asking you, you knew about  
18 it in 1971, CFR. You were told -- you started  
19 selling narcotics in 1988. 2005, you meet with  
20 the DEA. So here's where we are, 2005.

21 You met with the DEA and it says "As part  
22 of this ongoing initiative, the DEA has been  
23 meeting with drug distributors, including  
24 Cardinal."

1 Do you see that? Underline "including  
2 Cardinal" for me, please.

3 "And soliciting their assistance in the  
4 monitoring Internet pharmacies activity. As a  
5 result of these meetings, we have become aware  
6 that one wholesaler has recently ceased doing  
7 business with 24 pharmacies located in Florida and  
8 Texas."

9 That wasn't you, was it?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. That wasn't -- Cardinal didn't cease doing  
13 in business in Florida and Texas, did they?

14 MR. PYSER: Object to form.

15 Misstates what the e-mail says.

16 BY MR. PAPANTONIO:

17 Q. In other words, you see what this says,  
18 don't you?

19 It says "As a result of that meeting, one  
20 wholesaler," -- underline that, please -- "one  
21 wholesaler ceased doing business with 24  
22 pharmacies located in Florida and Texas."

23 That was not Cardinal, was it?

24 MR. PYSER: Object to form.



1           A.    I don't believe so.

2           BY MR. PAPANTONIO:

3           Q.    No, I know it's not, and so let's go on  
4           with it.

5                        So next question --

6                               MR. PYSER:  Object to form.

7           BY MR. PAPANTONIO:

8           Q.    -- "Please let me know if you are  
9           approached by potential new retail pharmacy  
10          customers in those states so that we may conduct  
11          the appropriate due diligence prior to taking on  
12          the new business."

13                       Now, it says "Additionally, DEA has  
14          identified Colorado as a state that has an  
15          Internet pharmacy problem."

16                       What was the Internet pharmacy problem out  
17          in Colorado?

18                               MR. PYSER:  Object to form.

19           A.    I don't recall the specifics they  
20          provided.

21           BY MR. PAPANTONIO:

22           Q.    "Your excessive purchase reports should be  
23          reviewed to see if you have customers that are  
24          purchasing over 3,000 dosage units of phentermine

1 or 5,000 dosage units of hydrocodone a month."

2 Do you see that?

3 A. (Witness nodding.)

4 Q. Do you see that?

5 A. Yes.

6 Q. All right. Now, you know, don't you, that  
7 in 2005 -- excuse me -- 2008 they actually went as  
8 far as telling you the exact facilities --  
9 Internet facilities that were exceeding 5,000? Do  
10 you recall that?

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. Do you recall that?

14 A. I -- I don't. Where are you?

15 Q. Well, look at 4230. There's a box, 4230.  
16 That is the MOU that your company paid \$34 million  
17 for. Do you remember that?

18 MR. PYSER: Ongoing objection on  
19 this document.

20 BY MR. PAPANTONIO:

21 Q. Take a minute and look at that document  
22 because we haven't really talked about it.

23 Now, sir, you understand that you were  
24 told clearly that an Internet pharmacy should not

1 sell drugs in excess of 5,000 a month, true?

2 MR. PYSER: Objection. Misstates  
3 evidence.

4 BY MR. PAPANTONIO:

5 Q. You were told that?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. He's objected to the form. Let's read it  
9 again. I will take as long as it takes to get  
10 this across.

11 Here's my question, new question. You  
12 were told in 2005 that if you have an Internet  
13 pharmacy that's selling more than 5,000 a month,  
14 there's something wrong there, right?

15 MR. PYSER: Object to form.

16 A. That it warrants investigation, take a  
17 look at the customer.

18 BY MR. PAPANTONIO:

19 Q. Right. Warrants investigation. And you  
20 know as we sit here today that you had dozens of  
21 Internet pharmacies that were exceeding 5,000  
22 pills a month. You know that as we sit here,  
23 don't you?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Don't you?

3 A. I -- I don't have --

4 Q. Why don't you go to -- go to page 21 of  
5 4230.

6 MR. PYSER: Object to form.

7 Let him finish his answers.

8 BY MR. PAPANTONIO:

9 Q. Exhibit 6. But 4230.21, do you see that?  
10 Can you -- look up here. It's on the screen. It  
11 actually -- now right above it, go to the  
12 paragraph right above that big box.

13 The paragraph right above that big box  
14 says "Retail pharmacies in Florida order an  
15 average of less than 8,400 dosage units of  
16 hydrocodone per month."

17 Do you see that?

18 A. Yes.

19 Q. "Retail pharmacies in Florida order an  
20 average of less than 8,400 dosage units a month."

21 Do you see where I'm reading?

22 A. Yes.

23 Q. It says "Respondent," -- that is Cardinal,  
24 right? "Respondent distributed hydrocodone to

1 pharmacies engaged in the diversion of controlled  
2 substances as reflected in the chart below.  
3 Respondent" -- which is Cardinal -- "knew or  
4 should have known that these pharmacies were  
5 diverting hydrocodone into other than legitimate  
6 medical, scientific, industrial channels."

7 Now, why don't you go there and let's take  
8 one by one how many of these pharmacies were  
9 exceeding 5,000 a month. How about MedaPharm. Do  
10 you see that?

11 MR. PYSER: Object to form. Object  
12 to the premise of the question.

13 Are you saying these are Internet  
14 pharmacies or not?

15 BY MR. PAPANTONIO:

16 Q. Do you see MedaPharm?

17 MR. PAPANTONIO: I'm going to ask  
18 him the question. Let me ask the questions.

19 BY MR. PAPANTONIO:

20 Q. Do you see MedaPharm?

21 MR. PYSER: Object to form.

22 A. Yes.

23 BY MR. PAPANTONIO:

24 Q. How many pills are they selling?

1 A. The monthly average?

2 Q. The monthly average, yes.

3 A. 155,007.

4 Q. Go down to United Prescription Services,  
5 Incorporated. How many pills are they selling?

6 A. 287,025.

7 Q. And then QRG, how many are they selling?

8 A. 242,640.

9 Q. And this says "Retail pharmacies in  
10 Florida" -- right above it, it says "Retail  
11 pharmacies in Florida order an average of less  
12 than 8,400 pills." That's what that says, doesn't  
13 it?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Right?

17 A. Yes.

18 Q. But every one of these people on this list  
19 is a Cardinal customer, true?

20 MR. PYSER: Object to form. Vague.

21 BY MR. PAPANTONIO:

22 Q. Everybody in this list is a Cardinal  
23 customer? You understand what I'm asking you,  
24 don't you?

1 MR. PYSER: Object to form.

2 A. You know, as I look at MedaPharm, it looks  
3 like it was a new customer that was taken on.

4 BY MR. PAPANTONIO:

5 Q. Fine. Fine.

6 A. And sales were monitored and they were --  
7 I believe they were shut off in December.

8 Q. Yeah, they were shut off because the DEA  
9 told you what they were doing. That's the only  
10 reason you shut them off. We're going to get to  
11 that in this document.

12 MR. PYSER: Object to form.

13 Misstates evidence.

14 BY MR. PAPANTONIO:

15 Q. Sir, you understand that the only reason  
16 that anybody on this list was shut down is because  
17 the DEA introduced a warrant for the people then  
18 sent you a copy of the warrant. You know that,  
19 don't you?

20 MR. PYSER: Object to form.

21 Misstates evidence.

22 You're just making stuff up.

23 MR. PAPANTONIO: Okay. Well, let's  
24 see if we're making this up. Keep those side by

1 side right there.

2 BY MR. PAPANTONIO:

3 Q. And then on one of them, on the left, it  
4 says, 5,000 drugs is too many every month,  
5 right?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. It says Internet pharmacies, 5,000 is too  
9 many, correct?

10 MR. PYSER: Object to form.

11 A. It's a trigger.

12 BY MR. PAPANTONIO:

13 Q. It's a trigger, right?

14 A. To go look.

15 Q. Well, let me just ask you something. How  
16 many pharmacies -- Internet pharmacies did you  
17 have that were selling in excess of 5,000 a month?

18 You don't know, do you?

19 A. I don't know the answer to that.

20 Q. Because you never looked into it, did  
21 you?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. You never looked into it? After you met



1 with the DEA and they told you that 5,000 was too  
2 many, you never looked into find out how many  
3 Internet pharmacies were you selling to that were  
4 selling in excess of 5,000? You never did that,  
5 did you?

6 A. No.

7 MR. PYSER: Object to form  
8 Objection. Asked and answered.

9 BY MR. PAPANTONIO:

10 Q. That was a no, wasn't it, before he  
11 interrupted you? The answer was no, correct?

12 MR. PYSER: Object.

13 A. No, the answer --

14 MR. PYSER: Object to form. Just  
15 wait, then answer the question.

16 Go ahead and answer.

17 BY MR. PAPANTONIO:

18 Q. He said no.

19 A. Not personally.

20 Q. Not personally. Okay.

21 But this was a personal conversation they  
22 had with you?

23 MR. PYSER: Object to form.

24 BY MR. PAPANTONIO:

1           Q.    Mr. Reardon, this was where you were  
2           face-to-face with the DEA and they told you, A,  
3           that you shouldn't allow an Internet pharmacy to  
4           sell more than 5,000 a month, and, B, the reason  
5           is is because a lot of the Internet pharmacies  
6           don't even have doctors involved in the  
7           prescription. That's what that letter just said,  
8           isn't it?

9                           MR. PYSER: Object to form.

10          BY MR. PAPANTONIO:

11          Q.    Yes or no?

12                           MR. PYSER: Object to form.

13          Misstates evidence.

14          A.    I don't believe they told us don't let  
15          them buy more than this. It was a way to have a  
16          trigger to go look.

17          BY MR. PAPANTONIO:

18          Q.    So the trigger is 5,000, if I get it  
19          right, and isn't it true that you sold some  
20          Internet pharmacies -- let's take a look -- you  
21          sold some Internet pharmacies tens of thousands a  
22          month, didn't you?

23                           MR. PYSER: Object to form.

24          BY MR. PAPANTONIO:

1 Q. Correct?

2 A. I don't know that.

3 Q. Well, you know who MedaPharm is? You know

4 who MedaPharm is, right?

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. True?

8 A. True.

9 Q. And the DOJ told you that -- the DOJ  
10 actually told you that they had restricted  
11 MedaPharm's sales. They told you that straight  
12 up. Right?

13 A. I don't know that.

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Well, do you know as we sit here that  
17 MedaPharm -- we're talking about MedaPharm  
18 Internet pharmacy sold 15,500,000 dosage of  
19 narcotics across the Internet. Did you know that  
20 prior to coming in here today?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. Do you want me to show you the document,  
24 sir? I'll be glad to.

1 A. I don't know that.

2 Q. This is the first time you've heard that,  
3 right? Is that right?

4 A. Yes.

5 Q. Okay. So the -- how about this, did you  
6 know how many Acumed Rx, Incorporated -- who is  
7 that? Acumed Rx, Incorporated? Who are they?

8 MR. PYSER: Object to form.

9 A. I'm not familiar with them.

10 BY MR. PAPANTONIO:

11 Q. Well, would you be surprised to know that  
12 Cardinal actually provided them narcotics to sell  
13 across the Internet? Did you know that?

14 MR. PYSER: Object to form.

15 A. Did not know that.

16 BY MR. PAPANTONIO:

17 Q. And did you know that the DOJ told you,  
18 you personally, that the DOJ and the DEA made the  
19 decision to restrict the -- to restrict what  
20 Acumed was doing? Do you remember that  
21 conversation?

22 MR. PYSER: Object to form.

23 Misstates evidence.

24 A. To restrict what Acumed was doing?

1 BY MR. PAPANTONIO:

2 Q. Yes. Well, you don't remember who they  
3 are, right?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. You don't remember who Acumed is, do  
7 you?

8 A. I don't.

9 MR. PAPANTONIO: Start pulling  
10 these, please.

11 BY MR. PAPANTONIO:

12 Q. So as a matter of fact, you know that --  
13 you don't know as you sit here today that this  
14 Internet pharmacy that you were selling narcotics  
15 to was selling 8,760,000 dosage units?

16 MR. PYSER: Object to form.

17 Are you claiming those are Cardinal dosage  
18 units?

19 MR. PAPANTONIO: I don't know what  
20 they are. We're going to find out in a minute.

21 BY MR. PAPANTONIO:

22 Q. We do know it was 8 million dosage units,  
23 right?

24 MR. PYSER: Object to form.

1 Misstates evidence.

2 MR. PAPANTONIO: Let's look at the  
3 document itself. Okay. Show him 4784, please.

4  
5 (Exhibit No. 16 marked for  
6 identification.)

7  
8 (Exhibit No. 17 marked for  
9 identification.)

10  
11 MS. MOORE: Reardon 17.

12 BY MR. PAPANTONIO:

13 Q. Who is Michael Mapes?

14 A. Mapes.

15 Q. Mapes. Excuse me. Tell us who Michael  
16 Mapes is.

17 A. He works for the DEA.

18 Q. He works with the Department of Justice,  
19 doesn't he?

20 A. Yes.

21 Q. And you see your name right there in this  
22 document, this e-mail? It's right there, the  
23 second -- it's the third from the bottom.

24 Steve Reardon, that's you, isn't it?

1 A. Yes.

2 Q. And according to this, "A distributor in  
3 Florida has significantly restricted the sale of  
4 controlled substances to the following Florida  
5 pharmacies."

6 Do you see this? Acumed, that was a  
7 Cardinal -- that was a Cardinal customer, wasn't  
8 it?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Do you know even whether Acumed was a  
12 Cardinal pharmacy?

13 A. I don't recall if they were a customer.

14 Q. And you certainly don't know -- the first  
15 time you heard is that Acumed was selling  
16 8,760,000 dosage units, if that number is the  
17 number, that's the first time you've ever heard  
18 that, right?

19 MR. PYSER: Object to form.

20 A. It doesn't mean it was all purchased from  
21 Cardinal Health.

22 BY MR. PAPANTONIO:

23 Q. I'm not saying it is. I'm not saying it  
24 is.

1 Cardinal Health was one of the top three  
2 distributors in America, correct, of narcotics?

3 MR. PYSER: Object to form. Asked  
4 and answered.

5 BY MR. PAPANTONIO:

6 Q. Right?

7 A. Yes.

8 Q. And then how about AV's Pharmacy,  
9 Incorporated? Do you know whether you were -- do  
10 you know whether or not you were selling them  
11 narcotics to sell over the Internet?

12 MR. PYSER: Object to form.

13 A. Are you looking at No. 2?

14 BY MR. PAPANTONIO:

15 Q. Yes.

16 A. AV?

17 Q. Yes. Clearwater, Florida.

18 A. I don't recall.

19 Q. How about BI Wise Drugs, Pearl Harbor,  
20 Florida?

21 MR. PYSER: Object to form.

22 A. I don't recall.

23 BY MR. PAPANTONIO:

24 Q. How about MedaPharm Rx, Incorporated,



1 Tampa, Florida? Is that your customer? Do you  
2 recall that?

3 A. I believe so.

4 Q. And then -- well, while we're on  
5 MedaPharm, let's show him 4642.

6 Can I get a split screen on this, please.

7 You say MedaPharm was your customer,  
8 right?

9 MR. PYSER: Object to form. Asked  
10 and answered.

11 BY MR. PAPANTONIO:

12 Q. Is that right? MedaPharm was your  
13 customer, right?

14 A. I believe so.

15 MR. PYSER: Asked and answered.

16 BY MR. PAPANTONIO:

17 Q. And you know that MedaPharm was put into  
18 an anti-diversion investigation report, that  
19 MedaPharm was actually mentioned in an  
20 anti-diversion investigation report that the DEA  
21 conducted?

22 MS. MOORE: Reardon 18.

23

24

1 (Exhibit No. 18 marked for  
2 identification.)

3  
4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. Correct? You've seen this document  
7 before. It's got your name on it. Look at  
8 4642.2. Look at the second page.

9 Do you see where the issue -- it says  
10 "Issue: Steve Reardon was contacted by the DEA  
11 regarding MedaPharm on November 30, 2005. A look  
12 at six months of purchase history and excessive  
13 purchase reports revealed the following."

14 It says "MedaPharm, Rx Internet," then it  
15 has hydrocodone. Then what does it say -- tell  
16 the jury, why don't you read it for us? What does  
17 it say right out next to hydrocodone? Do you see  
18 where it says?

19 A. "DEA limit is 5,000 dosage units."

20 Q. Right. And you were told that  
21 face-to-face by the -- by the DEA, true?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. They told you 5,000 is the unit?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Correct?

4 A. As a trigger.

5 Q. Well, it doesn't say "trigger." It says  
6 "the limit."

7 Where do you see the word "trigger"?

8 Why don't you point out for the jury where  
9 the word "trigger" appears there.

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. Please take a minute and find anywhere on  
13 this document -- take your time, you find anywhere  
14 on that document where it says "the trigger."

15 It's not "the trigger," it's "the limit."  
16 Right?

17 MR. PYSER: Object to form.

18 A. The report says "limit."

19 BY MR. PAPANTONIO:

20 Q. Well, no, you want to use the word  
21 "trigger." Why don't you point out for the jury  
22 where the word "trigger" appears?

23 MR. PYSER: Object to form. He  
24 didn't claim the word "trigger" was in the

1 document.

2 BY MR. PAPANTONIO:

3 Q. Find it and tell me where it is, because  
4 you said it was a trigger, that 5,000 was a  
5 trigger.

6 You're just making that up, aren't you?

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. You are making that up that 5,000 was a  
10 trigger? You're just making that up, aren't  
11 you?

12 MR. PYSER: Object to form.

13 A. That was the discussion --

14 MR. PYSER: Object to form. Move to  
15 strike. Argumentative.

16 You can answer the question.

17 BY MR. PAPANTONIO:

18 Q. Sir, are you making up -- when you say  
19 that 5,000 was a trigger, are you making that up  
20 as we sit here today?

21 MR. PYSER: Object to form.

22 Argumentative.

23 BY MR. PAPANTONIO:

24 Q. Yes or no?

1 A. No.

2 Q. Well, show me where in this report it uses  
3 the term "trigger." It doesn't, does it?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. It says "limit," "5,000 is the limit."

7 That's what it says, correct?

8 MR. PYSER: Object to form.

9 Counsel's misstating evidence.

10 BY MR. PAPANTONIO:

11 Q. 5,000 is the limit, it says it right here.

12 Did I read that right?

13 MR. PYSER: Object to form.

14 A. It says "limit."

15 BY MR. PAPANTONIO:

16 Q. Yes. Then it even goes down and it tells

17 you how many dosage units the Internet -- that

18 were sold by MedaPharm.

19 Do you see May, 13,700; June, 13,400;

20 July, 18,700; August, 18,200; September, 122,000.

21 You pretty good at math?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. Why don't you tell me how many times

1 122,000 -- how many times that is times 5,000?

2 MR. PYSER: Object to form.

3 Argumentative.

4 BY MR. PAPANTONIO:

5 Q. Do you want to take a guess?

6 MR. PYSER: Object to form.

7 Argumentative.

8 BY MR. PAPANTONIO:

9 Q. How many-- 5,000 versus 122,000. Right?

10 Those are the two numbers we're talking about; am

11 I correct?

12 MR. PYSER: Object to form.

13 Are you asking him to do a multiplication

14 problem? What are you doing here, Counselor?

15 BY MR. PAPANTONIO:

16 Q. Did I just state that the two numbers are

17 that 5,000 was the limit that an Internet pharmacy

18 was supposed to sell, correct? Am I right there?

19 MR. PYSER: Object to form.

20 A. It's what the report states.

21 BY MR. PAPANTONIO:

22 Q. B) MedaPharm is a -- is a client, a

23 customer for Cardinal. You're selling them

24 narcotics, correct? Am I right?

1 A. Correct.

2 Q. C) MedaPharm in September alone sold  
3 122,000 dosage units, correct, according to this  
4 report?

5 A. Correct.

6 Q. And the limit is supposed to be 5,000,  
7 true?

8 MR. PYSER: Object to form.

9 A. That's what the report states.

10 BY MR. PAPANTONIO:

11 Q. And then in October, if you go to the next  
12 page, October 2005, 189,400 dosage units is what  
13 was sold for -- through MedaPharm? That's what  
14 this says, doesn't it?

15 A. Yes.

16 Q. And look at the year out next to it. Why  
17 don't you tell us what you were doing in that  
18 year, 2005?

19 MR. PYSER: Object to form. Asked  
20 and answered.

21 BY MR. PAPANTONIO:

22 Q. What was your role in 2005?

23 MR. PYSER: Object to form. Asked  
24 and answered.

1 A. It was quality and regulatory affairs.

2 BY MR. PAPANTONIO:

3 Q. And this is after you had already met with  
4 the DEA where they told you that 5,000 is the  
5 limit, right?

6 A. My recollection is, at that meeting, they  
7 told us that 5,000 would warrant a look at the  
8 customer.

9 Q. Well, this document doesn't say warrant a  
10 look. It says 5,000 is the limit, right?

11 MR. PYSER: Object to form.  
12 Argumentative.

13 MR. PAPANTONIO: I'm going to move  
14 to strike any hearsay of what they told him.

15 BY MR. PAPANTONIO:

16 Q. They didn't tell you -- they didn't say  
17 5,000 was a trigger, did they?

18 MR. PYSER: Object to form. You  
19 don't need to tell the witness that you're going  
20 to move to strike.

21 BY MR. PAPANTONIO:

22 Q. The DEA did not tell you that 5,000 was  
23 only a trigger, did they?

24 MR. PYSER: Object to form.



1           A.     That's my recollection of the meeting.

2           BY MR. PAPANTONIO:

3           Q.     All right.  Then -- oh, here it is.  Did  
4     you know that the DEA closed this, took away their  
5     license, and then your company reopened the  
6     license temporarily?

7                     Did you know that, after they were selling  
8     189,000 dosage units a month?

9           A.     I don't recall that.

10          Q.     All right.  Well, then, the other customer  
11     that you wanted to talk about was -- that was  
12     MedaPharm.

13                     So you want -- you said Acumed was one of  
14     your customers, right?

15                     MR. PYSER:  Object to form misstates  
16     the testimony.

17          Q.     Acumed was one of your Internet  
18     pharmacies?

19          A.     I don't know that.

20          Q.     You don't?  You've never heard that?

21                     MR. PYSER:  Object to form.

22          Q.     Well, let's show you.  Why don't you take  
23     a look at document 4816.  4816.

24                     MS. MOORE:  Reardon 19.

1

2 (Exhibit No. 19 marked for

3 identification.)

4

5 BY MR. PAPANTONIO:

6 Q. Now, who is Peter Flanagan?

7 Do you know who Peter Flanagan is?

8 A. Based on his title here, he's in sales.

9 Q. Sales with what company?

10 A. Cardinal Health.

11 Q. The same company that you were in quality  
12 regulatory, correct?

13 A. Correct.

14 Q. And then in the front of this, just to  
15 show that this is your company, it says -- excuse  
16 me, not your company, but this is somebody you  
17 were selling narcotics to.

18 It says "Acumed" -- do you see the first  
19 line? "Acumed is trying to send back a large  
20 return, plus 57,000. They only bought from us for  
21 two months, and the amount was only 23,000."

22 Now, 23,000 is more than 5,000 a month for  
23 two months, right?

24 MR. PYSER: Object to form.

1       \$23,000.

2           A.     It's dollars.

3       BY MR. PAPANTONIO:

4           Q.     Oh, excuse me. We're talking about  
5       dollars here. Let me ask you this -- you're  
6       right, it is dollars, but the truth is they wanted  
7       to send back 57,000. Was that money or is that --

8           A.     That's dollars.

9           Q.     They wanted to send out -- to return  
10       \$57,000. "They bought from us for two months."

11                   Correct?

12                   So they're your customer is what I'm  
13       trying to understand here. Are they your  
14       customer?

15                   MR. PYSER: Object to form.

16           A.     It appears so.

17       BY MR. PAPANTONIO:

18           Q.     Now, your lawyer's laughing about the fact  
19       that it's your customer, but did you know, as he's  
20       chuckling over there, that this customer bought  
21       8,760 units of narcotics?

22                   MR. PYSER: Object to form.

23       BY MR. PAPANTONIO:

24           Q.     Did you know that --

1 MR. PYSER: Object to form. Object

2 to form. Move to strike the commentary of

3 counsel.

4 BY MR. PAPANTONIO:

5 Q. In the chuckle moment, sir, in the chuckle

6 moment that we've just been hearing from your

7 counsel, he is giggling about this.

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. So as he giggles, let me ask this

11 question.

12 MR. PYSER: Object to form. Move to

13 strike --

14 BY MR. PAPANTONIO:

15 Q. I just want to ask the question.

16 You understand that Acumed was selling 8

17 million dosage of narcotics as an Internet

18 pharmacy? Did you know that prior to being here

19 today?

20 MR. PYSER: Object to form. There's

21 no -- object to form.

22 BY MR. PAPANTONIO:

23 Q. Did you know that?

24 A. Did not.

1 Q. Well, would it be a surprise -- would you  
2 be surprised to know that the DEA actually told  
3 you that?

4 MR. PYSER: Object to form.  
5 Misstates evidence.

6 BY MR. PAPANTONIO:

7 Q. How about that? You want a chuckle moment  
8 here? Let's go to the document.

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Chuckle, chuckle. 1165.

12 MR. PYSER: Object to form. Move to  
13 strike.

14 BY MR. PAPANTONIO:

15 Q. Is any of this funny to you?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. Are people -- I'm interested in --

19 MR. PYSER: Objection.

20 Argumentative.

21 BY MR. PAPANTONIO:

22 Q. I'm interested in knowing this.

23 MR. PYSER: This is a ridiculous  
24 line of questioning.

1 BY MR. PAPANTONIO:

2 Q. I'm interested in knowing this.

3 MR. PYSER: Object to form. Move to  
4 strike.

5 BY MR. PAPANTONIO:

6 Q. Is there anything funny about the number  
7 of deaths in the United States, 115 to 150 people  
8 dying today from opioid overdoses? Is there  
9 anything funny about that to you?

10 MR. PYSER: Object to form. Move to  
11 strike. Objection. Argumentative.

12 BY MR. PAPANTONIO:

13 Q. Yes or no? Is there anything funny about  
14 that to you?

15 MR. PYSER: Same objections.

16 A. Not at all.

17 BY MR. PAPANTONIO:

18 Q. Not at all. It's awful, isn't it?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. It's awful, isn't it?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. Yes?

1 A. Yes.

2 Q. Mothers losing children, correct, from  
3 opioid overdoses. Fathers losing mothers, opioid  
4 overdoses. Children losing parents, opioid  
5 overdoses.

6 That's serious, serious business, isn't  
7 it?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Yes?

11 A. It's serious business.

12 Q. And it was serious back when you were  
13 making the decisions about how many drugs you were  
14 going to let out on the market? It was pretty  
15 serious back then, too, wasn't it?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. Let's go ahead and show him this.

19 MS. MOORE: Reardon 20.

20

21 (Exhibit No. 20 marked for  
22 identification.)

23

24 BY MR. PAPANTONIO:

1 Q. Why don't you go to 1165.15. Let's see if  
2 we can find something to chuckle about about this.  
3 Put it up on the screen.

4 MR. PYSER: Object to form. Move to  
5 strike.

6 BY MR. PAPANTONIO:

7 Q. Now, is this -- .15, see there? 1165.15.

8 Is this the first time you've seen this?

9 MR. PYSER: Object.

10 A. This is -- this is a McKesson document. I  
11 would not see this.

12 BY MR. PAPANTONIO:

13 Q. Right. Oh, you wouldn't have seen this?

14 A. No.

15 Q. Oh, Cardinal -- this wasn't sent to  
16 Cardinal. Is that your testimony?

17 MR. PYSER: Object to form. He  
18 can't testify for the entire company. You're  
19 showing him a McKesson document.

20 MR. PAPANTONIO: Objection as to  
21 form. Hold it there, or we well get on the phone.

22 I am tired of you doing this speech to the  
23 witness. You know what you're doing. You know  
24 the rules. If you didn't know the rules and you



1       were an idiot, I would tell you, okay, that's all  
2       right. But you're not an idiot. You're a trained  
3       lawyer. You know the rules. So hush, give us an  
4       objection, and then move on.

5                       MR. PYSER: My objection is clear.  
6       Your questions are inappropriate. Your commentary  
7       is inappropriate.

8                       Calling counsel an idiot is wildly --

9                       MR. PAPANTONIO: I didn't call you  
10      an idiot. I said you're a smart boy, that that's  
11      why you know the rules.

12                      MR. PYSER: I would appreciate it if  
13      you didn't call me a boy again. That's also  
14      inappropriate.

15                      MR. PAPANTONIO: Young man. How  
16      about that?

17                      MR. PYSER: Everything you've been  
18      doing today has been inappropriate and in  
19      violation of the rules.

20      BY MR. PAPANTONIO:

21              Q.     Sir, you just told us that you didn't get  
22      this document I'm showing you because it's a  
23      McKesson document. Did you tell me that?

24                      DEFENSE COUNSEL: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Did you tell me that, that you didn't get  
3 this document because it was a McKesson  
4 document?

5 MR. PYSER: Object to form.

6 A. Yes.

7 BY MR. PAPANTONIO:

8 Q. Well, let's look at it. I want to know  
9 whether you've had anything do with all this.

10 Did you remove any of the names -- did  
11 somebody show you a document like this where you  
12 removed the registrants' names in that third  
13 column there, where you actually took the names  
14 out of there?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Huh?

18 A. No.

19 Q. You wouldn't do that, would you?

20 MR. PYSER: Object to form.

21 A. No.

22 BY MR. PAPANTONIO:

23 Q. It's important that those names be there  
24 so we can see who we're talking about, correct?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Am I right?

4 A. I would assume.

5 Q. Yeah, and the DEA number, that would be  
6 pretty important, too, wouldn't it?

7 MR. PYSER: Object to form.

8 A. Yes.

9 BY MR. PAPANTONIO:

10 Q. Now, you understand this is a McKesson  
11 document you're looking at right there, right?

12 A. That's what it says on the front.

13 Q. Well, why don't you look over where it  
14 says "MedaPharm." You see where it says, to the  
15 right, "MedaPharm"?

16 That was your customer, correct?

17 15,596,000 dosage units sold.

18 MR. PYSER: Object to form. You're  
19 purposefully misleading.

20 BY MR. PAPANTONIO:

21 Q. Do you see that?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. Do you see that, sir?

1                   In between all these objections, here's my  
2     question, do you see that number 15,586,000?

3                   MR. PYSER: Object to form.

4     BY MR. PAPANTONIO:

5           Q.     Do you see that?

6                   MR. PYSER: Okay.

7           A.     Yes.

8     BY MR. PAPANTONIO:

9           Q.     And you agree that MedaPharm is your  
10    customer?

11                   MR. PYSER: Object to form. Vague  
12    as to time.

13    BY MR. PAPANTONIO:

14           Q.     MedaPharm was an Internet customer of  
15    yours, correct?

16                   MR. PYSER: Object to form. Vague  
17    as to time.

18           A.     At one point.

19    BY MR. PAPANTONIO:

20           Q.     All right. Good.

21                   So as a matter of fact, they were your  
22    customer in 2006, weren't they?

23                   MR. PYSER: Object to form.

24           A.     I can't be sure. I'd have to look at the

1 documents.

2 BY MR. PAPANTONIO:

3 Q. Well, let's go. How about this next one.

4 How about, let's go to Acumed. I asked you about

5 Acumed. Look to the right of Acumed. Look at

6 that number, 8,760,000 dosage units next to

7 Acumed, and Acumed was one of your customers in

8 2006, weren't they?

9 We already showed you that they were a  
10 customer.

11 A. Yes, but this doesn't indicate that all of  
12 this was purchased from Cardinal Health.

13 Q. No, I'm not saying it did. But you  
14 sold -- you sold narcotics to Acumed Rx,  
15 Incorporated, didn't you?

16 MR. PYSER: Object to form, and  
17 object to the demonstrative.

18 BY MR. PAPANTONIO:

19 Q. Cardinal sold narcotics to Acumed Rx,  
20 true?

21 MR. PYSER: Object to form.

22 A. If they were a customer, they could have  
23 purchased narcotics.

24 BY MR. PAPANTONIO:

1 Q. And the -- you were told that 5,000 is the  
2 limit of what an Internet pharmacy ought to sell.  
3 We already went over that a couple of times,  
4 right?

5 MR. PYSER: Object to form.  
6 Misstates testimony.

7 BY MR. PAPANTONIO:

8 Q. We were told, we saw the document, it said  
9 limit, 5,000. That was from the DEA, right?

10 MR. PYSER: Object to form.  
11 Misstates evidence.

12 BY MR. PAPANTONIO:

13 Q. Did I misstate that? That the DEA met  
14 with you and told you that an Internet pharmacy,  
15 that 5,000 should be the limit?

16 A. That report was not from DEA.

17 Q. I don't care. You met with the DEA, sir.

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. You met with the DEA?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. Didn't you?

24 A. Yes.

1 Q. And they told you personally that 5,000  
2 for an Internet pharmacy is the limit, period?

3 MR. PYSER: Object to form. Asked  
4 and answered --

5 BY MR. PAPANTONIO:

6 Q. Correct?

7 MR. PYSER: -- many times.

8 A. Not my recollection of the meeting. It  
9 was, here's the amount of dosage units, here's the  
10 amount that should trigger a look.

11 BY MR. PAPANTONIO:

12 Q. Right. I didn't see -- we didn't think --  
13 remember we looked for the word "trigger," and it  
14 was not there?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Do you remember we looked for the word  
18 "trigger" and it wasn't there?

19 MR. PYSER: Object to form.

20 A. Not a DEA document.

21 BY MR. PAPANTONIO:

22 Q. Right. Okay. So, then, according to  
23 this, this says, Acumed was selling 8,760,000  
24 doses, right? That's what that says?

1 MR. PYSER: Object to form.

2 A. That's what it says.

3 BY MR. PAPANTONIO:

4 Q. And then the next one, New Care Home

5 Health Services, that's your customer, too, right?

6 Do you see these up on the red?

7 A. Yes.

8 Q. Those are your customers. Now, if you

9 have any exception to it, you tell me that's

10 wrong.

11 MR. PYSER: Object to form. Vague.

12 Object to form. Vague as to time. Objection,

13 compound.

14 BY MR. PAPANTONIO:

15 Q. New Care Home Health was your customer,

16 yes?

17 MR. PYSER: Objection.

18 BY MR. PAPANTONIO:

19 Q. Right?

20 A. At one time.

21 Q. Okay. And they were an Internet pharmacy,

22 right?

23 MR. PYSER: Object to form.

24 A. According to this.



1 BY MR. PAPANTONIO:

2 Q. And they were your customer in 2006,  
3 weren't they?

4 MR. PYSER: Object to form.

5 A. I believe so.

6 BY MR. PAPANTONIO:

7 Q. And so that pharmacy was selling -- that  
8 Internet pharmacy was selling 5,876,000 dosage,  
9 right?

10 MR. PYSER: Object to form.

11 A. Yes.

12 BY MR. PAPANTONIO:

13 Q. Well, we'll introduce this.

14 Sir, take a minute on this and tell me any  
15 one of those that are highlighted red that you  
16 don't remember being your customer. Do that for  
17 me.

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. Take a minute. You tell me which one of  
21 these weren't your customers.

22 MR. PYSER: Object to form.

23 A. (Witness reviews document.)

24 I don't know.

1 BY MR. PAPANTONIO:

2 Q. You don't know?

3 A. No.

4 Q. Okay. So if the jury hears about them  
5 being your customers, you would agree that for an  
6 Internet pharmacy to be selling -- well, how about  
7 15,000,596 dosage a year would be too many,  
8 wouldn't it?

9 MR. PYSER: Object to form.

10 A. It appears to be.

11 BY MR. PAPANTONIO:

12 Q. It appears to be, yes.

13 Now, you remember I asked you when we  
14 first started, I asked you were you responsible  
15 for removing the names and the DEA number off a  
16 form that was sent to you -- well, let me scratch  
17 that. I'll make it easier than that.

18 This form that we've been going over, you  
19 see that form in front of you?

20 A. Yes.

21 Q. Did you -- were you responsible for making  
22 the decision to remove the names of the pharmacy  
23 and the names of the registration number before  
24 that was published?

1 MR. PYSER: Object to form.

2 A. This is not a Cardinal report.

3 BY MR. PAPANTONIO:

4 Q. Right. I'm about to show you the Cardinal  
5 report.

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. You want to see it? You want to see it?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Do you want to see the Cardinal report?

12 MR. PYSER: Object to form.

13 Argumentative.

14 BY MR. PAPANTONIO:

15 Q. Let's go ahead and show it to you. How  
16 about --

17 MS. MOORE: Reardon 22.

18

19 (Exhibit No. 22 marked for  
20 identification.)

21

22 BY MR. PAPANTONIO:

23 Q. This is 4831.

24 MR. PYSER: Object to form. Object

1 to the reference by counsel of this document as a  
2 Cardinal report.

3 BY MR. PAPANTONIO:

4 Q. Now, you said that this was never sent to  
5 Cardinal, didn't you?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. You told me that this document that's up  
9 there that has all the names of the Internet  
10 pharmacies was never sent to Cardinal? Did you  
11 tell me that?

12 MR. PYSER: Object to form. Vague  
13 as to time frame.

14 BY MR. PAPANTONIO:

15 Q. Did you tell me that the -- that nobody  
16 sent you this list of Internet pharmacies that was  
17 sent to Cardinal?

18 MR. PYSER: Object to form.

19 A. I did not get it.

20 BY MR. PAPANTONIO:

21 Q. You didn't get it?

22 A. No recollection of getting it.

23 Q. Well, you see what's in front of you right  
24 now? What does it say? What's the first page?

1                   It says "Drug Enforcement Administration.

2       The trafficking and abuse of prescription

3       controlled substances."

4                   Do you see that?

5                   MR. PYSER: Object to form. Rule of

6       completeness.

7                   Read the full title if you're going to

8       read the title, Counselor.

9       Q. Do you see that?

10                  MR. PYSER: Object to form.

11       Same objections --

12       BY MR. PAPANTONIO:

13       Q. Well, why don't you read the title? Your

14       lawyer is worried about the whole title. Why

15       don't you read the whole -- how about this, read

16       the whole title for the jury, would you?

17       A. "United States Department of Justice, Drug

18       Enforcement Administration. The trafficking and

19       abuse of prescription controlled substances,

20       legend drugs, and over-the-counter products.

21       Medical Board of California. California Board of

22       Pharmacy. Joint forum to promote appropriate

23       prescribing and dispensing, San Francisco,

24       California, February 21, 2013."

1 Q. And you were there, weren't you?

2 MR. PYSER: Object to form.

3 BY MR. PAPANTONIO:

4 Q. You were at this -- when this was  
5 presented, you were there for one of these  
6 presentations of what the DEA had prepared,  
7 correct?

8 MR. PYSER: Objection.

9 A. I don't have any recollection.

10 BY MR. PAPANTONIO:

11 Q. You don't remember at all?

12 So if we go to this -- go to .175 there,  
13 please. 1.175.

14 MR. PYSER: Counselor, I'm going to  
15 put an objection on the record to what you're  
16 doing with this document. I'm happy to have the  
17 witness leave the room if you don't want him to  
18 hear the objection.

19 MR. PAPANTONIO: I don't care if he  
20 hears the objection.

21 Look, somebody removed the names. There's  
22 no -- there's no surprise here. Somebody removed  
23 the names. I hope it wasn't a law firm. He's  
24 telling me it wasn't him. This was published on

1 the Internet without the names being put in. We  
2 know that one of them has the names, and the other  
3 one doesn't.

4 Now, where this goes, that's for lawyers  
5 to take up. That's what we do for a living.

6 MR. PYSER: And my objection is your  
7 implication that anyone from Cardinal had any  
8 involvement with the removal of any of the  
9 information here is wildly inappropriate when in  
10 the last deposition, I pointed you to the publicly  
11 available website from the State of California  
12 with this information removed from it, and you  
13 insist on maintaining a frivolous accusation  
14 against Cardinal of having removed information  
15 that we did not remove that is removed by a  
16 government agency.

17 If you have a problem with that removal,  
18 you should go and take it up with that government  
19 agency.

20 MR. PAPANTONIO: No, sir, I'm going  
21 to take it up with a sanctions order. We're going  
22 to investigate. Just so you know, we're going --  
23 we're right now investigating whether your  
24 organization intentionally removed the names and

1 the numbers so that the public could not follow  
2 which pharmacy was guilty of what.

3 So I have it on the record. I hear your  
4 objection. I'm going to ask him some questions  
5 now.

6 MR. PYSER: My objection stays.  
7 Your accusation is ridiculous. It is frivolous.

8 MR. PAPANTONIO: We'll see. We'll  
9 see.

10 MR. PYSER: It is frivolous, and I  
11 welcome your supposed investigation, which does  
12 not exist --

13 MR. PAPANTONIO: Time will tell.  
14 Time will tell, won't it?

15 MR. PYSER: Counsel, I hope you're  
16 investigating the DEA and the board that you claim  
17 are acting wrongfully by having removed this  
18 information.

19 MR. PAPANTONIO: You got it.

20 Put this document, if you would, ma'am,  
21 put it up right next to the one that does show the  
22 names and the -- and the one we just did that  
23 shows the names and it shows the numbers.

24 BY MR. PAPANTONIO:



1           Q.    What I want you to do is put up -- well,  
2    you have them right in front of you, if we can't  
3    find them, on the screen.

4                    You know that one of them you can see has  
5    the names, and the one that was just up there  
6    didn't have names or the -- or the DEA number, did  
7    it?

8                   MR. PYSER:   Same objections.

9    BY MR. PAPANTONIO:

10          Q.    I'm just asking you, did you have anything  
11   to do with removing names and numbers from what  
12   has been put up there on the screen?

13                   MR. PYSER:   Same objections.   Object  
14   to the demonstrative.

15                   MR. PAPANTONIO:   Take the second one  
16   down.

17                   MR. PYSER:   Object to the  
18   demonstrative.

19   BY MR. PAPANTONIO:

20          Q.    Sir, did you have anything to do with  
21   removing the names of the pharmacies or the  
22   numbers there?

23                   MR. PYSER:   Same objections.   This  
24   is argumentative.   It's frivolous.   You've been

1 corrected already, Counselor.

2 BY MR. PAPANTONIO:

3 Q. Did you having anything to do with it?

4 Yes or no?

5 A. Absolutely not.

6 Q. All right. That's all I want to know.

7 So we know you didn't do it. But it's  
8 very clear that on one of them, we have the names  
9 and we have the numbers, and then on the other  
10 one, we don't, correct?

11 MR. PYSER: Same objections. There  
12 is zero basis for this line of questioning.  
13 There's zero basis for the accusation that's being  
14 made against Cardinal Health.

15 BY MR. PAPANTONIO:

16 Q. Did you know that Cardinal Health sent  
17 that one on the right to us when we asked for  
18 discovery?

19 MR. PYSER: Object.

20 BY MR. PAPANTONIO:

21 Q. Did you know anything about this prior to  
22 coming here today?

23 MR. PYSER: Same objections.

24 Counselor, are you upset that we produced

1 the document to you as it existed in your files at  
2 it was downloaded from the Internet?

3 BY MR. PAPANTONIO:

4 Q. You don't know anything about this, I take  
5 it, so we'll move on.

6 All right. So let's go back to where we  
7 started, which is document 4085.15.

8 Now, we're on page 15 here right now.  
9 4085.15.

10 Now you see halfway through there, right,  
11 you see where it picks up right here, Mr. Reardon,  
12 it says "On November 8."

13 Do you see that?

14 A. Yes.

15 Q. "On November 8, DEA issued an  
16 administrative subpoena to Cardinal Health for  
17 information regarding its sales of oxycodone and  
18 its compliance mechanism. On October 27, 1911  
19 (sic), Cardinal sent DEA a letter, asking the --  
20 asking the agency to inform Cardinal if the  
21 identity of any" -- underline "any Cardinal  
22 customer" -- "that the agency has determined is  
23 engaged in the diversion of controlled  
24 substances."

1 Do you see that?

2 MR. PYSER: Ongoing objection to the  
3 use of this document.

4 BY MR. PAPANTONIO:

5 Q. Do you see that?

6 MR. PYSER: Ongoing objection to the  
7 use of this document. Pure hearsay.

8 BY MR. PAPANTONIO:

9 Q. Do you see that?

10 MR. PYSER: Object to form.

11 A. Yes.

12 BY MR. PAPANTONIO:

13 Q. And then it says "Cardinal promised to  
14 immediately cease distribution of controlled  
15 substances to any customer that the DEA so  
16 identified."

17 Do you see that?

18 MR. PYSER: Object to form.

19 A. Yes.

20 BY MR. PAPANTONIO:

21 Q. Now look at the date there. That's --  
22 this all took place October 27, 2011.

23 Do you see that? That's when Cardinal  
24 made their promise that they were going to

1 immediately take care of people on the list the  
2 DEA had sent them. Do you see that?

3 MR. PYSER: Object to form.

4 A. Yes.

5 BY MR. PAPANTONIO:

6 Q. And then go down to the next paragraph.

7 "As of this filing of the government's prehearing  
8 statement on February 22, 2012, DEA has not  
9 received the compliance-related communication  
10 responsive to November 2000."

11 How many months is that?

12 So you made the promise in February of  
13 2012. Right?

14 No. Excuse me. You made the promise in  
15 October of 2011. Right? You made the promise  
16 that what you were going to do is you were going  
17 to immediately cease distribution of controlled  
18 substances to any customers that DEA has  
19 identified for you, right?

20 MR. PYSER: Object to form.

21 A. That's what it looks like.

22 BY MR. PAPANTONIO:

23 Q. Then this says that you didn't do that,  
24 did you?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. You didn't do what you promised -- the  
4 company didn't do what they promised they were  
5 going to do?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. Right?

9 A. That's what it states.

10 Q. As a matter of fact, five months passed  
11 and they still had not kept their promise,  
12 correct?

13 MR. PYSER: Object to form.

14 A. That's what it states.

15 BY MR. PAPANTONIO:

16 Q. Does it sound like they're hiding  
17 something to you?

18 MR. PYSER: Object to form.

19 Argumentative. Calls for speculation.

20 BY MR. PAPANTONIO:

21 Q. Does it sound like they're hiding  
22 something? The DEA is -- let me just be clear  
23 about something. Let me ask this question.

24 The DEA has said, here is a list,

1 Cardinal, and on the list, these are people that  
2 we're pretty suspect of. And then your company,  
3 Cardinal, makes a promise, oh, well, we're going  
4 to look into it, we're going to do a report for  
5 you.

6 Right?

7 And that happens -- that happens in  
8 October. And then five months later, they still  
9 haven't done that?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. That's what that paragraph says right  
13 there, doesn't it?

14 MR. PYSER: Object to form.

15 Misstates evidence. It is not what the paragraph  
16 says.

17 BY MR. PAPANTONIO:

18 Q. Well, let's read it again because maybe  
19 I'm not reading it right.

20 "On October 27, 2011, Cardinal sent DEA a  
21 letter asking the agency to inform Cardinal of the  
22 identity of any Cardinal customer that the  
23 agency" -- could you underline this so Counsel can  
24 see it this time -- "of the identity of any

1 Cardinal Health customer that the agency has  
2 determined is engaged in diversion of controlled  
3 substances."

4 Did I read that right just now?

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. Is that right?

8 A. Yes, it's accurate.

9 Q. Then it says, talking about Cardinal, "and  
10 promising to immediately cease distribution of  
11 controlled substances to any customer that DEA so  
12 identifies."

13 Do you see that?

14 MR. PYSER: Object to form.

15 A. Yes.

16 BY MR. PAPANTONIO:

17 Q. Just so we can be clear, that's October  
18 2011. Then we go to, as of the filing of the  
19 government's prehearing, which is February the  
20 next year, 2012, the DEA has not received the  
21 compliance-related communication.

22 Do you see that?

23 MR. PYSER: Object to form.

24 A. Yes.



1 BY MR. PAPANTONIO:

2 Q. Well, is there anything you don't  
3 understand? I don't care whether your lawyer  
4 understands it or not. Do you -- let me ask you  
5 this, do you understand that?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. What was just read to you?

9 MR. PYSER: Object to form.

10 A. I'm rereading it.

11 (Witness reviews document.)

12 MR. PAPANTONIO: Would you do me a  
13 favor and circle "November 2011" there for me,  
14 please. And then also circle for me "February" --  
15 there you go. Thank you.

16 BY MR. PAPANTONIO:

17 Q. Now you want to reread this again. Why  
18 don't you read it out loud. Maybe I'm not clear  
19 about it. Maybe I'm just reading bad.

20 Why don't you go ahead and read it for the  
21 jury. Let's hear your interpretation of it.

22 MR. PYSER: Object to form.

23 Argumentative.

24 A. "On October 27, 2011, Cardinal Health sent

1       DEA a letter asking the agency to inform Cardinal  
2       of the identity of any Cardinal Health customer  
3       that had the agency -- that the agency has  
4       determined is engaged in the diversion of  
5       controlled substances and promising to immediately  
6       cease distribution of controlled substances to any  
7       customer that the DEA so identifies.

8                "On October 28, 2011 and November 18,  
9       2011, Cardinal Health provided information  
10      responsive to the October 26, 2011 AIW and the  
11      November 8, 2011 administrative subpoena."

12      BY MR. PAPANTONIO:

13           Q.    Read the next line.

14           A.    "As of the filing of the government's  
15      prehearing statement on February 22, 2012, DEA has  
16      not received the compliance-related communications  
17      responsive to the November 8, 2011 administrative  
18      subpoena."

19           Q.    Now my question, did you have anything --  
20      were you in charge of sending that type of  
21      communication to the DEA if they asked for it?

22           A.    No.

23           Q.    Who was?

24           A.    It would have been the anti-diversion

1 group.

2 Q. But you -- in other words, you weren't  
3 responsible for not doing this; is that correct?

4 MR. PYSER: Object to form.

5 A. Correct.

6 BY MR. PAPANTONIO:

7 Q. Let's go to the next page. It says --  
8 408516. It says -- let's pick up, you see where  
9 it says "The investigation at respondent revealed  
10 a persistent failure -- a persistent failure to  
11 exercise due diligence to ensure that controlled  
12 substances were not being diverted."

13 Do you see that?

14 A. Yes.

15 MR. PYSER: Object to form. Same  
16 objections on this document.

17 BY MR. PAPANTONIO:

18 Q. Now, DEA concluded that over a period of  
19 approximately three years, November 2008 to 2011,  
20 "Respondent's anti-diversion controls were  
21 inadequate to meet their due diligence  
22 responsibilities."

23 Do you see that?

24 MR. PYSER: Object to form.

1 A. Yes.

2 BY MR. PAPANTONIO:

3 Q. Underline that for me, please.

4 Because didn't you just tell me that when  
5 2007 came along and you knew what all the rules  
6 were that you started playing by those rules?

7 Isn't that what you told me earlier?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Right?

11 A. Yes, that was a transition.

12 Q. Yes. So you said there was a transition  
13 that took place, but it says right here, DEA  
14 concluded that over a period of approximately  
15 three years, November 2008 to 2011, respondent's  
16 anti-diversion controls were inadequate to meet  
17 their due diligence responsibilities.

18 That doesn't sound -- I mean, you told me  
19 that after 2007, you made this adjustment and you  
20 did things right.

21 Didn't you tell me that just earlier  
22 today?

23 MR. PYSER: Object to form. Ongoing  
24 objection on this document. Hearsay.

1           A.    I did not make the adjustment.  They  
2    created a new anti-diversion team.

3    BY MR. PAPANTONIO:

4           Q.    Well, apparently, according to this  
5    document, the anti-diversion team wasn't working  
6    very well, was it?

7                   At least between 2008 and 2011, the  
8    anti-diversion team wasn't working, was it?

9                   MR. PYSER:  Object to form.

10          A.    I can't speak to that.

11   BY MR. PAPANTONIO:

12          Q.    Well, I think this speaks for it, don't  
13   you?

14                  It says "Respondent's anti-diversion  
15   controls were inadequate."

16                  Would you circle "inadequate" for me,  
17   please.

18                  MR. PYSER:  Object to form.

19          Q.    "Were inadequate to meet their due  
20   diligence responsibilities."  All right.

21                  "This conclusion was based on the totality  
22   of several factors.  The most important factor,  
23   number one, exceedingly large increasing volume of  
24   shipment of oxycodone to its largest retail

1 customer."

2 Do you see that? Who was your largest

3 retail customer in Florida? Who was it?

4 MR. PYSER: Object to form.

5 A. I don't know offhand.

6 BY MR. PAPANTONIO:

7 Q. And then it says "that largest retail

8 customer, which volumes were supported by

9 inadequate documentation."

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. You had to document the -- you were

13 supposed to document the volumes -- the acceptable

14 volumes that one of your customers was buying, you

15 were supposed to document that, right?

16 A. I can't speak to what the anti-diversion

17 team was doing at this time.

18 Q. Well, you could speak to what you were

19 doing back in 2005. You weren't documenting

20 anything, were you?

21 MR. PYSER: Object to form.

22 A. We documented the reports that we provided

23 to the DEA, the ones they approved, and we were

24 documenting visits and we were documenting

1 identification of orders that were stopped at the  
2 distribution center and questioned.

3 BY MR. PAPANTONIO:

4 Q. Right. So what we know is this: We know  
5 that all that you just described didn't work,  
6 because in 2008 you had to pay \$43 million fine  
7 for that system that you just described, right?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Correct?

11 MR. PYSER: Objection. Misstates  
12 evidence.

13 A. 34 million.

14 BY MR. PAPANTONIO:

15 Q. 34 million, excuse me. Okay.

16 And then we know this now, so 2007 is when  
17 you said there was this new change in how things  
18 were being done.

19 Remember, we talked about that, right?

20 A. Yes.

21 Q. The new change?

22 A. Yes.

23 Q. And after the new change took place in  
24 2007, this document says that even as late as 2011

1       that your respondent's anti-diversion controls  
2       were inadequate to meet their due diligence  
3       responsibilities. That's what that says, right?

4                       MR. PYSER: Object to form. Ongoing  
5       objection to the use of this document.

6       A.     Yes.

7       BY MR. PAPANTONIO:

8       Q.     Am I right?

9       A.     That's what it says.

10       Q.     And then if you go to the next paragraph,  
11       it says "Between November 2008 and December 2011  
12       you -- Cardinal sold over 12.9 million dosage  
13       units of oxycodone to its top four retail pharmacy  
14       customers."

15               True?

16                       MR. PYSER: Object to form.

17       BY MR. PAPANTONIO:

18       Q.     That's what it says?

19       A.     That's what it says.

20       Q.     And it says "From 2008 to 2009,  
21       respondent's oxycodone sales to its top four  
22       retail pharmacies increased approximately  
23       803,000."

24               803,000.



1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Did you know that your company -- I mean,  
4 we're -- do you understand that this is one year,  
5 2008 to 2007.

6 I have to write this down. Give me a  
7 piece of paper. Here it is. Make sure I've got  
8 this right.

9 From 2008 to 2007, that Cardinal increased  
10 their sales to this company by 803 percent?

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. Did you know that? That's a startling --  
14 that's a big number. That's a big percentage  
15 increase, isn't it, for a year between 2008 and  
16 2009?

17 A. I don't know all the facts and  
18 circumstances around it. I can't comment on it.

19 Q. You can't comment that an 803 percent  
20 increase in one year in the sales of narcotics to  
21 one customer is a big increase?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. You don't know whether that's a big

1       increase or not?

2                               MR. PYSER: Object to form.

3       A.    It's to four customers, I think.

4   BY MR. PAPANTONIO:

5       Q.    Oh, four customers.

6       A.    Yeah.

7       Q.    So all four customers, there was an 803  
8   percent increase?

9                               MR. PYSER: Object to form.

10   BY MR. PAPANTONIO:

11       Q.    And that doesn't seem like a big number to  
12   you?

13       A.    On face value, it seems like a big number.

14       Q.    Yeah. It says then, it says after that,  
15   "From 2009 to 2010," that's another one year,  
16   "respondent's oxycodone sales increased  
17   approximately 162 percent.

18                               Do you see that?

19                               MR. PYSER: Object to form.

20   BY MR. PAPANTONIO:

21       Q.    And then between 2009 and 2011,  
22   respondent's oxycodone sale to its top four retail  
23   pharmacies increased 241 percent.

24                               Now, sir, you have to agree, those are big

1       increase numbers for a year period of time, isn't  
2       it?

3                       MR. PYSER: Object to form.

4       BY MR. PAPANTONIO:

5               Q.    I mean, those are big numbers? For the  
6       increase of sale of narcotics, those are big  
7       increases of numbers, aren't they?

8                       MR. PYSER: Object to form.

9               A.    On the face, but I -- I think it -- at  
10      this time DEA continued to increase the quota for  
11      oxycodone, right?

12      BY MR. PAPANTONIO:

13              A.    Let's see if they did, because it's going  
14      to talk about that right here.

15                    It says "Compared to the advantage  
16      number" -- "Compared to the average number of  
17      dosage units distributed monthly to respondent's  
18      other Florida retail pharmacies, the average" --  
19      stay with me here -- "the average monthly  
20      distribution to respondent's top four customers is  
21      staggering."

22                    That's their word, staggering. Do you see  
23      that?

24                       MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Would you please circle the word

3 "staggering."

4 MR. PYSER: Object to form. Move to  
5 strike Counsel's commentary at the beginning of  
6 the question.

7 BY MR. PAPANTONIO:

8 Q. Would you move -- would you please, madam,  
9 you have "staggering."

10 What does staggering mean to you, sir?  
11 Staggering. The term staggering, what does that  
12 mean when you hear that's staggering, what does  
13 that mean to you?

14 A. Significant.

15 Q. Yeah, okay, I'll go with significant.

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. It says "Respondent's other Florida retail  
19 pharmacies received on average," is that --  
20 "received on average 5,364 dosage units per month  
21 from October 1, 2008 to December 2011."

22 Do you see that?

23 The average per month -- put an arrow next  
24 to that, if you would, the dosage, 5,364, put an

1       arrow next to that, because I want to make a  
2       comparison.

3               And then it says "Units per month, October  
4       2008 through 2011, based on 66,286 pharmacies."

5               So, in other words, you understand that  
6       DEA took 66,000 pharmacies and they said the  
7       average number for those pharmacies is only 5,364.

8               Do you see that?

9                       MR. PYSER: Object to form.

10       A.    Yes.

11       BY MR. PAPANTONIO:

12       Q.    And then it goes on to say, "In contrast"  
13       -- do you see where it says "In contrast"?

14               "In contrast, CVS 5195 received  
15       approximately 58,000 dosage units per month from  
16       respondent."

17               That would be -- that would be your  
18       company, Cardinal, right?

19                       MR. PYSER: Object to form.

20       BY MR. PAPANTONIO:

21       Q.    Right?

22       A.    Right.

23       Q.    So the average dosage is 5,300, and you  
24       were shipping to your customer 58,223 units,

1 right, according to this?

2 And, sir, would you agree as sales  
3 increase, if you followed the death map or you  
4 followed any kind of indicator of the number of  
5 deaths in this country, as sales increased, so did  
6 the number of opioid overdoses? You know that,  
7 don't you?

8 MR. PYSER: Object to form.

9 A. I'd have to see.

10 BY MR. PAPANTONIO:

11 Q. Is that the first time you've heard that,  
12 really? The first time you've heard that as sales  
13 increase, so does the number of narcotic deaths in  
14 the America? Is that first time you heard that?

15 A. Yes.

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. The first time? Okay.

19 Then it says, CareMed received 59,264  
20 units per month from respondent, which is your  
21 company. Right?

22 A. Yes.

23 Q. And Gulf Coast received 96,640 -- 96,664  
24 dosage units per month, right?

1                   And then CVS received 137,994 dosage units  
2     per month.    Right?

3                   And you know that every one of those,  
4     first of all -- first of all, let me ask you this,  
5     you agree every one of those were your  
6     customers?

7                   MR. PYSER:   Object to form.

8           A.     It's what the document states.

9     BY MR. PAPANTONIO:

10           Q.     And every one of those is -- 137,994  
11     compared to 5,364, which is the average dosage  
12     units in Florida, you would have to agree that's  
13     substantially out of the average for dosage units  
14     in Florida, isn't it?

15                   MR. PYSER:   Object to form.

16           A.     On the face value, it's obviously higher.

17     BY MR. PAPANTONIO:

18           Q.     Well, you keep saying "on the face value,"  
19     sir.

20                   You had -- you had a duty -- Cardinal had  
21     a duty to look more than face value.   Cardinal had  
22     a duty to show up at the facility and do an  
23     investigation if the numbers looked too high,  
24     didn't they, right?

1 MR. PYSER: Object to form.

2 A. Yes.

3 BY MR. PAPANTONIO:

4 Q. But you didn't do it?

5 MR. PYSER: Object to form.

6 A. I can't speak to that.

7 BY MR. PAPANTONIO:

8 Q. Well, you didn't do it when you were in  
9 charge of quality regulatory, were you?

10 MR. PYSER: Objection.

11 BY MR. PAPANTONIO:

12 Q. You never one time went and looked out to  
13 see whether your customers were playing by the  
14 rules or not, did you?

15 MR. PYSER: Object.

16 BY MR. PAPANTONIO:

17 Q. Not one time?

18 MR. PYSER: Object to form. Vague  
19 as to time.

20 BY MR. PAPANTONIO:

21 Q. Am I right?

22 A. We conducted site visits.

23 Q. Did you conduct site visits?

24 MR. PYSER: Object to form.



1 A. Not me personally.

2 BY MR. PAPANTONIO:

3 Q. Yeah. You had two other people in your  
4 organization?

5 MR. PYSER: Object to form.  
6 Misstates evidence.

7 BY MR. PAPANTONIO:

8 Q. Two other people that worked in that area  
9 that you're talking about, quality, regulatory?

10 A. Three in the group.

11 Q. What?

12 A. Three in the group that focused on  
13 anti-diversion.

14 Q. And how many pharmacies over the United  
15 States were you responsible for?

16 A. I don't know the number.

17 Q. Were there thousands?

18 Have you ever seen a map, sir, of just how  
19 many pharmacies CVS has?

20 Show me that. Let me have that map on  
21 CVS.

22 Do you realize that just CVS, which is one  
23 of your number one customers, right?

24 A. Yes.

1 Q. They sell -- 20 percent of your business  
2 was from CVS, correct?

3 MR. PYSER: Object to form.

4 A. That's what you stated. I don't know the  
5 exact number.

6 BY MR. PAPANTONIO:

7 Q. You don't know the answer. But if I  
8 stated that it was 20 percent, that would not  
9 surprise you; is that correct?

10 MR. PYSER: Object to form.

11 A. Correct.

12 BY MR. PAPANTONIO:

13 Q. Have you ever seen any map showing how  
14 many pharmacies CVS has around the country?

15 MR. PAPANTONIO: Show him 3821,  
16 please.

17 MR. PYSER: Is this an exhibit?

18 MR. PAPANTONIO: Yes, it's an  
19 exhibit.

20 3821. Why don't you just take mine.  
21 She'll find another one. Would you put that up on  
22 the screen, please. 3821. Is that it?

23

24 (Exhibit No. 23 marked for

1 identification.)

2

3 MS. MOORE: Reardon 23.

4 MR. PAPANTONIO: 3821, on the

5 screen, if you have it. If not, I'll go to Elmo.

6 BY MR. PAPANTONIO:

7 Q. Have you seen this before?

8 A. No.

9 Q. CVS was -- if I tell you CVS was 20  
10 percent, only 20 percent of your business, would  
11 that surprise you?

12 MR. PYSER: Object to form.

13 MR. PAPANTONIO: Here it is right  
14 here. I'm sorry. I thought you had this loaded  
15 in. I apologize.

16 BY MR. PAPANTONIO:

17 Q. What -- so you see that this is -- these  
18 are CVS pharmacies all over the country.

19 Had anybody ever shown you that before?

20 That's just CVS.

21 A. I have not seen this.

22 Q. Do those numbers surprise you that there's  
23 that many CVSes in the country?

24 MR. PYSER: Object to form.

1 A. No.

2 BY MR. PAPANTONIO:

3 Q. In other words, they really were your  
4 number one customer, right?

5 MR. PYSER: Object to form.

6 A. Yes.

7 BY MR. PAPANTONIO:

8 Q. Do you know how many billions of dollars  
9 you made every year by selling narcotics to CVS?

10 MR. PYSER: Object to form.

11 A. I do not.

12 BY MR. PAPANTONIO:

13 Q. And this investigation we're looking at  
14 right here, CVS is one, two, three, of the four --  
15 of the four pharmacies that we're talking about,  
16 CVS is three out of the four, right?

17 MR. PYSER: Object to form.

18 A. I see Gulf Coast, CareMed, and CVS,  
19 another CVS, two CVS.

20 BY MR. PAPANTONIO:

21 Q. You only see two, right?

22 A. Yeah.

23 Q. There's more to this and we'll get to this  
24 in this document.

1 MR. PYSER: Object to form.

2 Misstates. Move to strike.

3 BY MR. PAPANTONIO:

4 Q. So you understand, sir, that your company  
5 did not even make visits to CVS to monitor their  
6 thresholds because you allowed CVS to do their own  
7 monitoring? You know that already, don't you?

8 MR. PYSER: Object to form. Asked  
9 and answered.

10 BY MR. PAPANTONIO:

11 Q. Yes or no?

12 A. I can't speak to that. I was not part of  
13 the anti-diversion team.

14 Q. So you don't know one way or another; is  
15 that your testimony?

16 MR. PYSER: Object to form.

17 A. Yes.

18 BY MR. PAPANTONIO:

19 Q. And this says "In 2011 respondent  
20 collectively," -- back to the same document,  
21 4085.17. "In 2011, respondent collectively  
22 distributed 3,144,000 dosage units of oxycodone to  
23 six Sanford, Florida pharmacies. Of this volume,  
24 respondent shipped 3,012,000 thousand dosage

1 units, or 96, 96 percent to two CVS stores."

2 How about that? Is that first time you've  
3 seen that?

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. 96 percent of what was involved here, the  
7 question of three million doses, 96 percent of it  
8 was sold by CVSes.

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Right?

12 A. That's what it says.

13 Q. That's what that says?

14 A. Yes.

15 Q. And you're selling to CVSes all over the  
16 country, aren't you, your company?

17 MR. PYSER: Object to form.

18 BY MR. PAPANTONIO:

19 Q. True?

20 A. They are a national chain, yes.

21 Q. Yeah, the national chain. And we just  
22 showed the jury what the size of that national  
23 chain looks like.

24 MR. PAPANTONIO: Make sure we attach

1 that as an exhibit, please.

2 BY MR. PAPANTONIO:

3 Q. All right. Now, let's go to -- go to page

4 19. I want to show you something.

5 Tell the jury what a threshold limit is.

6 A. That's a quantity of a controlled

7 substances that if a customer hits --

8 Q. Okay. Let's go to 4085.19. That's the

9 same document we've been talking about all day

10 here, right? Correct?

11 A. Yes.

12 Q. And you see at the bottom of that

13 document, right here --

14 Put that up on the screen for us, would

15 you.

16 Now, this says -- this is a list of

17 pharmacies where Cardinal exceeded its own

18 threshold.

19 Do you see that?

20 A. Yes.

21 Q. And it even lays it out. It tells you

22 specifically what it was?

23 MR. PYSER: Object to form.

24 BY MR. PAPANTONIO:

1 Q. Correct?

2 A. They tell you exactly what they had --  
3 they had a threshold of -- it was a threshold of  
4 25,000. It tells you if they exceeded the 25,000,  
5 doesn't it?

6 MR. PYSER: Object to form.

7 A. Yes.

8 BY MR. PAPANTONIO:

9 Q. Now, you're not supposed to exceed  
10 threshold limit values, are you?

11 MR. PYSER: Object to form. Vague  
12 as to time frame.

13 BY MR. PAPANTONIO:

14 Q. You're not at any time -- at any time a  
15 store that -- one of your customers that's  
16 exceeding threshold limit values, your duty is to  
17 go and inspect that store, right?

18 A. I can't speak to the process and the  
19 approach that this anti-diversion team took with  
20 all of this.

21 Q. Now --

22 A. That's -- I was not part of the team.

23 Q. When you say this anti-diversion team,  
24 they were anti-diversion for the very distributors



1       that you were involved with in your job after  
2       2007, right?

3                       MR. PYSER: Object to form.

4       BY MR. PAPANTONIO:

5           Q.     The same company?

6           A.     Yes.

7           Q.     Okay. And you see where this actually  
8       shows you, it even gives you the detail of how  
9       much the threshold was violated place by place?

10                   MR. PYSER: Object to form.

11       BY MR. PAPANTONIO:

12          Q.     Right?

13          A.     Yes.

14          Q.     Did you see anything like that when you  
15       were working between 2005 and 2007 in your role in  
16       regulatory/quality, did you see anything -- had  
17       anybody gotten you a list like that and said, hey,  
18       these are -- these are various customers and  
19       they're exceeding thresholds by this much?

20                   Do you recall that?

21                   MR. PYSER: Object to form.

22          A.     I don't recall that.

23       BY MR. PAPANTONIO:

24          Q.     Let's go to page -- let's go to           page

1       21. You see the top says "No on-site visits for  
2       chain retailers."

3                   Do you see that?

4           A. Yes.

5           Q. And a chain retailer is CVS, what we've  
6       been talking about, CVS, correct? That's a chain  
7       retailer?

8           A. Yes.

9           Q. And the one -- the chain retailer that we  
10      just saw in this document where they said that 96  
11      percent of all the narcotics sold to those  
12      pharmacies down in central Florida went to CVS,  
13      that's what it said, right? 96 percent?

14                   MR. PYSER: Object to form.

15          A. Yes.

16      BY MR. PAPANTONIO:

17          Q. And it says "No on-site visits for chain  
18      retailers." It says "According to DEA review,  
19      Cardinal Health's SOM policies do not exclude  
20      chain retailers from the site visit requirement.

21                   "Indeed, the written policies made  
22      available to DEA do not indicate any company  
23      policy of treating chain retailers differently  
24      from independent retailers in terms of due

1 diligence Cardinal Health's distribution centers  
2 are required to conduct."

3 Now, your own policy says we need to go  
4 out and we need to treat CVS the same way we  
5 treated everybody, right?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. That's your own policy?

9 A. That is what it appears to say.

10 Q. And this says "Cardinal failed to conduct  
11 site visits for its retail chain pharmacies."

12 Do you see that?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. "Thus, failing to maintain effective  
16 controls to prevent diversion."

17 Do you see that? Right?

18 A. Yes.

19 Q. Right?

20 A. Yes.

21 Q. So this says "Cardinal suspicious order  
22 monitoring policy, its potential indicators of  
23 diversion, many of these indicators of diversion  
24 could not only have been" -- excuse me, "many of

1       these indicators of diversion could only have been  
2       ascertained by conducting site visits."

3               Now you understand what -- you understand  
4       what they're saying there? They're saying there's  
5       no way that you can comply without actually doing  
6       site visits, with your own policy. That's what  
7       that says, doesn't it?

8               MR. PYSER: Object to form.

9       BY MR. PAPANTONIO:

10       Q.     It says, site visits required.

11              So where's that map, again, of -- here it  
12       is right there.

13              So this map that I showed you of CVS, tell  
14       me how many site visits you did -- you involved  
15       yourself with with CVS.

16              MR. PYSER: Object to form. Asked  
17       and answered.

18       BY MR. PAPANTONIO:

19       Q.     While you were working in quality  
20       regulatory, or any time after, how many site  
21       visits did you do of a CVS pharmacy?

22              MR. PYSER: Object to form. Asked  
23       and answered.

24       A.     None.

1 BY MR. PAPANTONIO:

2 Q. None. And this says -- but this says that  
3 your own policy for the company was that you're  
4 supposed to treat a chain the same way you treat  
5 an independent? Is that right?

6 There's no difference in the way you treat  
7 a chain and the way you treat an independent. Did  
8 I get that right? I'm going to start that with  
9 the first part of this discussion. That's a  
10 correct statement, isn't it?

11 MR. PYSER: Object to form.

12 A. That's what the policy states. I can't  
13 speak to the policy because I was not part of this  
14 anti-diversion team.

15 BY MR. PAPANTONIO:

16 Q. Sir, you were working in corporate  
17 headquarters in Columbus, Ohio, and you were in  
18 charge of overseeing the absolute -- the  
19 distributorships all over the country?

20 MR. PYSER: Objection.

21 BY MR. PAPANTONIO:

22 Q. Right? Isn't that what you told us?

23 A. It's the anti-diversion team that conducts  
24 the site visits.

1 Q. Sir, you have -- it's all the employees  
2 responsible for stopping diversion. It's not just  
3 a team. You know that. The DEA -- the DEA told  
4 you that. All employees with Cardinal are  
5 responsible for stopping diversion.

6 Do you remember them telling you that?

7 MR. PYSER: Object to form.

8 A. Yes.

9 BY MR. PAPANTONIO:

10 Q. So let's look and see. By not actually  
11 going to the site and looking at them, you see the  
12 bottom of this page right here?

13 Just blow that up right there. Just this  
14 part, "Potential indicators of diversion."

15 Now, let's talk about, how do you  
16 possibly -- well, scratch that.

17 There was a whole list of things that the  
18 DEA told you that you were supposed to be looking  
19 for where it came to understanding diversion,  
20 right?

21 One thing is customers of licensed --  
22 customer exhibit drug-seeking behaviors.

23 How do you know that unless you do a site  
24 visit?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. How do you know that?

4 A. You don't.

5 Q. How do you know that if you put the  
6 responsibility of managing drug thresholds in the  
7 hands of the customer that you're selling  
8 narcotics to like CVS?

9 MR. PYSER: Object to form.

10 Misstates evidence.

11 BY MR. PAPANTONIO:

12 Q. You don't know that, you do?

13 MR. PYSER: Object to form.

14 A. I don't know that that was the case. I  
15 don't know.

16 BY MR. PAPANTONIO:

17 Q. How about cars full of pharmacy customers?  
18 You've actually seen pictures where people come up  
19 to the very customers that Cardinal was selling  
20 narcotics to where they're showing up in loads --  
21 cars loaded up with people wanting to buy  
22 narcotics. You're aware of that, right?

23 MR. PYSER: Object to form.

24 A. I don't know if the pictures you've seen

1       were of Cardinal customers.

2       BY MR. PAPANTONIO:

3           Q.     Well, sir, have you -- but you had the  
4     right to go out and inspect the sites themselves  
5     as you managed the quality regulatory employees;  
6     you had a right to get in a car and go see for  
7     yourself what was going on in pharmacies, right,  
8     all the way back to 2005?

9                   MR. PYSER:   Object to form.

10          A.     I could.   I could.

11       BY MR. PAPANTONIO:

12          Q.     You could.   That's all I want to say.   You  
13     could have, right?

14                   MR. PYSER:   Finish your answer.

15          A.     It wasn't my role.

16       BY MR. PAPANTONIO:

17          Q.     Sir, you just said the DEA told you --  
18     first of all, let me -- scratch that.

19                   You were in charge of -- how many people  
20     worked under you between 2005 and 2007?

21          A.     Six.

22          Q.     Six.   Okay.   You had the right to go out  
23     and inspect sites just like they did, as their  
24     supervisor, didn't you?



1 A. Yes.

2 Q. And you never did it, not one time,  
3 correct?

4 A. Correct.

5 Q. So this next thing says "Potential  
6 indicators of diversion. Pharmacy customers who  
7 appear to be from outside the reasonable drawing  
8 area for the facility."

9 You know what that means, right?

10 "Pharmacy customers who appear to be from outside  
11 reasonable drawing area for the facility."

12 That's something you would look at to  
13 identify whether or not the pharmacy may be doing  
14 wrong, right?

15 MR. PYSER: Object to form.

16 A. Yes.

17 BY MR. PAPANTONIO:

18 Q. And the next thing that you find out about  
19 the pharmacy, whether they're doing wrong or not,  
20 it says "Evidence of illicit drug use around the  
21 facility: Used syringes, empty prescription  
22 containers."

23 Do you realize that there were facilities  
24 throughout the country that had -- I mean,

1       pharmacies that there were used syringes and empty  
2       prescription containers right outside the  
3       pharmacy.

4                       MR. PYSER: Object to form. Assumes  
5       fact not established.

6       BY MR. PAPANTONIO:

7               Q. Did he ever hear anything like that?

8                       MR. PYSER: Object to form.

9               A. Not that specifically.

10       BY MR. PAPANTONIO:

11              Q. How about "mailing materials or other  
12       evidence of operation of Internet pharmacy"?

13                      MR. PYSER: Object to form.

14              A. Yes.

15       BY MR. PAPANTONIO:

16              Q. "High ratio of prescriptions for regulated  
17       drugs versus other drugs."

18                      You know that if a pharmacy is selling  
19       more narcotics than they are aspirin, there's  
20       probably a problem, right?

21                      MR. PYSER: Object to form.

22       BY MR. PAPANTONIO:

23              Q. Right?

24              A. Yes.

1 Q. And "High ratio of regulated prescriptions  
2 stocked to other prescriptions. Primarily cash  
3 transactions for regulated drug prescriptions.  
4 One employee responsible for ordering, monitoring,  
5 and invoicing of products. A high number of  
6 customers compared to their peers."

7 Now, you would agree that every one of  
8 those things would be a red flag for you to be  
9 involved with signs, maybe something's not right  
10 at this CVS facility, correct?

11 MR. PYSER: Object to form.

12 A. Correct.

13 BY MR. PAPANTONIO:

14 Q. But in order to do that, you have to go to  
15 the CVS facility to find this out, right?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. Somebody has to go there and check?

19 A. Correct.

20 MR. PYSER: Let's take a break.

21 MR. PAPANTONIO: Okay, we'll take a  
22 ten-minute break.

23 THE VIDEOGRAPHER: The time is 2:50  
24 p.m., and we're off the record.

1

2

(Recess taken from 2:50 p.m.

3

to 3:06 p.m.)

4

5

THE VIDEOGRAPHER: The time is 3:06

6

p.m., on the record.

7

BY MR. PAPANTONIO:

8

Q. So looking at 4085 still, the document

9

we've been dealing with most of the day, it says,

10

4085.22. Look for the .22.

11

It says "Low numbers of suspicious orders

12

reported."

13

So on -- there on 22, it says "Low numbers

14

of suspicious orders reported. Respondent's

15

electronic suspicious order monitoring system

16

flags certain orders as suspicious, which required

17

respondent to place a hold on the order until it

18

decides whether to release the order or cancel --

19

or cut the order."

20

Then it says this -- highlight this,

21

please, for me.

22

"From October 1, 2008, through

23

October 26, 2011, respondent reported only 41

24

suspicious orders to DEA."

1                   So in four years, your company reported 41  
2       suspicious orders, according to this. And you  
3       don't have any way -- you don't have any -- you  
4       don't dispute that, you do?

5                   MR. PYSER: Object to form.

6           A.     That's what it states.

7       BY MR. PAPANTONIO:

8           Q.     "Based on information provided by  
9       Cardinal, respondent suspended sales of controlled  
10      substances to 19 DEA registrants from December  
11      2010 to October 2011 at the service of the AIW."

12                   You remember what the AIW is?

13                   MR. PYSER: Same ongoing objections  
14      to this document.

15       BY MR. PAPANTONIO:

16           Q.     Do you remember the AIW? It was a  
17      warrant, right?

18           A.     Right.

19           Q.     And it says "Only three of the 41  
20      suspicious orders reported were orders from 19  
21      customers respondent suspended."

22                   "Only 3 of the 41 suspicious orders  
23      reported were orders from the 19 customers  
24      respondent suspended."

1                   Now, it goes on and says "Between October  
2    26, 2011," the day following the execution of the  
3    AIW, "and January 31, 2012, respondent terminated  
4    28 customers."

5                   So according to this, Cardinal gets  
6    wind -- well, they actually get copies of the fact  
7    that the -- the warrants have been issued for  
8    their facilities, right, Cardinal businesses?

9                   MR. PYSER: Object to form. Calls  
10   for speculation.

11   BY MR. PAPANTONIO:

12       Q.    Right?

13       A.    That's...

14       Q.    That's what it says?

15       A.    I don't know. I mean, it says that the  
16   service of.

17       Q.    Yeah, right. So after --

18                   MR. PYSER: Object to form.

19   BY MR. PAPANTONIO:

20       Q.    After the -- after they receive the AIW,  
21   the warrant, then respondent terminated 28  
22   customers after they received that warrant.

23                   That's what that says, doesn't it?

24                   MR. PYSER: Object to form.

1 A. That's what it states.

2 BY MR. PAPANTONIO:

3 Q. So you really only terminated 28 customers  
4 because the DEA had filed an AIW, a warrant,  
5 true?

6 MR. PYSER: Object to form. Calls  
7 for speculation.

8 A. I can't speak to that. I wasn't part of  
9 this team.

10 BY MR. PAPANTONIO:

11 Q. Sir, but you understand that this team --  
12 this team that you keep saying "this team," --  
13 this team was working for Cardinal, correct?

14 MR. PYSER: Object to form.

15 A. Correct.

16 BY MR. PAPANTONIO:

17 Q. Is that right?

18 A. Correct.

19 Q. And you were in corporate up in Columbus,  
20 Ohio with Cardinal, correct?

21 MR. PYSER: Object to form.

22 A. Correct.

23 BY MR. PAPANTONIO:

24 Q. And part of your job was to oversee, as

1 we've talked about, the distribution centers  
2 throughout the entire United States?

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. Correct?

6 A. Correct, but not what is described here.

7 Q. Well, that's fair enough.

8 But let me ask you this, a facility -- all  
9 of the facilities we've been talking about were  
10 supplied by the Lakeland -- by the Lakeland  
11 Cardinal distributor center, correct?

12 A. That's what is stated.

13 Q. And that was one that you had oversight  
14 of, correct?

15 MR. PYSER: Object to form.

16 A. This activity that's described here?

17 BY MR. PAPANTONIO:

18 Q. Yes.

19 A. Took place at corporate.

20 Q. Right. Corporate. And where were you?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. Corporate?

24 A. At corporate, but not part of this team



1 and not responsibility for any of these  
2 activities.

3 Q. Well, you were responsible for making sure  
4 that the distributor locations were operating  
5 within the realm of the law, correct?

6 MR. PYSER: Object to form.

7 A. Correct.

8 BY MR. PAPANTONIO:

9 Q. And Lakeland was one of those  
10 distributors, correct?

11 MR. PYSER: Object to form.

12 A. Correct.

13 BY MR. PAPANTONIO:

14 Q. And the pharmacies that we were talking  
15 about received their narcotics from the Lakeland  
16 distributorship, right?

17 MR. PYSER: Object to form.

18 A. Correct.

19 BY MR. PAPANTONIO:

20 Q. All right.

21 A. But this was a centralized process that  
22 was managed by the anti-diversion team in Dublin,  
23 Ohio.

24 Q. And nobody told you about it, is that your

1 testimony?

2 All this was going on, nobody told you

3 that this was going on? Is that your testimony?

4 MR. PYSER: Object to form.

5 A. I knew there was an issue. I did not know

6 the specifics, this detail.

7 BY MR. PAPANTONIO:

8 Q. Well, that's what we're here for right.

9 So then --

10 MR. PYSER: Object to form. Move to

11 strike.

12 BY MR. PAPANTONIO:

13 Q. Next question, it says "Respondent

14 reported no suspicious orders at either -- at

15 either of its CVS facilities or the independent

16 retail pharmacy locations."

17 Do you see that?

18 A. That's what it states.

19 Q. Then go to the top of the next page.

20 The top four customers -- do you know how

21 much money was generated by Cardinal's top four

22 customers that we've been talking about here? Do

23 you know?

24 A. I do not know.

1 Q. It says "Following the service of AIW" --  
2 which is the warrant -- "from January  
3 1, 2012 through February 3, 2012" -- the date of  
4 service of the ISO -- "Cardinal" -- after the  
5 warrant -- "reported 173 suspicious orders, none  
6 of which concerned its top four pharmacy  
7 customers."

8 Do you see that?

9 A. That's what it states.

10 Q. So you didn't report the -- you didn't  
11 report your people that you're making the most  
12 money from, which is your top four customers; you  
13 reported suspicious orders for other pharmacies,  
14 according to this?

15 MR. PYSER: Object to form.  
16 Misstates evidence. Assumes facts not in  
17 evidence.

18 BY MR. PAPANTONIO:

19 Q. Right? This says none of your top four  
20 customers did you report suspicious orders for,  
21 right?

22 MR. PYSER: Object to form.

23 A. I don't know the -- that's what it states  
24 here.

1 BY MR. PAPANTONIO:

2 Q. Then it says -- let's go to the next page.

3 Now, you know who Carter -- I asked you  
4 who Carter is, the investigator for the DEA. Do  
5 you know who she is, Miss Carter?

6 A. Yes, I'm familiar with her name.

7 Q. Ruth Carter?

8 A. Yes.

9 Q. As we go through this, I'm going to offer  
10 this -- we're going to attach this to the  
11 deposition.

12 This is the DEA Ruth Carter affidavit  
13 marked 4109. I'm going to attach that to the  
14 deposition.

15 Go ahead and do that, make sure it's  
16 attached.

17 It says "GS Carter will testify that  
18 respondent's top four customers failed to  
19 exercise," -- I'm on page 24 there, "GS Carter  
20 will testify that respondent's top four customers  
21 failed to exercise their corresponding  
22 responsibility regarding the proper prescribing  
23 and dispensing of controlled substances and have  
24 failed to maintain effective controls to prevent

1 the diversion of controlled substances."

2 Those are your top four customers we're  
3 talking about here, right?

4 MR. PYSER: Object to form.

5 A. That's what it states.

6 BY MR. PAPANTONIO:

7 Q. "She will testify that until the service  
8 of the AIW, or the warrant, "two of respondent's  
9 top customers" -- both of them CVS, do you see  
10 that? -- "continued to dispense controlled  
11 substances based on prescription issued for other  
12 than legitimate medical purposes and outside the  
13 usual course of professional practice."

14 Now your four customers, if they're  
15 selling more drugs, then -- more narcotics, then  
16 certainly Cardinal is making more money, right?

17 MR. PYSER: Object to form.

18 Q. They sell more drugs, Cardinal is making  
19 more money; isn't that right?

20 MR. PYSER: Object to form.

21 A. Makes sense.

22 BY MR. PAPANTONIO:

23 Q. So if they exceed -- if they exceed an  
24 average of 8,000 units a month and instead they're

1       selling 200,000 units a month, that's more money  
2       in the pocket for Cardinal, true?

3                   You sold more -- you sold more drugs to  
4       them, haven't you?

5                   MR. PYSER: Object to form.

6       A.    I would assume more volume.

7       BY MR. PAPANTONIO:

8       Q.    More volume, more money?

9       A.    Would be more revenue.

10      Q.    Yes. More volume, more revenue?

11                  MR. PYSER: Object to form.

12      BY MR. PAPANTONIO:

13      Q.    Isn't that how that works? More volume,  
14      more revenue.

15                  And then the other thing we know is more  
16      volume, more revenue, more drug overdoses and  
17      people die. We know that from the statistics,  
18      correct?

19                  MR. PYSER: Object to form. Assumes  
20      facts not in evidence.

21      BY MR. PAPANTONIO:

22      Q.    You know that, that the sales go up -- the  
23      sales went up historically and continue -- they've  
24      gone up, the number of deaths from opioids have

1 increased, too. You know that?

2 MR. PYSER: Object to form. Assumes  
3 facts not in evidence.

4 BY MR. PAPANTONIO:

5 Q. True?

6 A. I -- I don't know if there's enough  
7 information there to make that correlation.

8 Q. You don't know that? You've never seen  
9 anything that showed you a graph showing that as  
10 sales went up, death of human beings went up, too,  
11 from overdoses? Nobody's ever shown that to you,  
12 have they?

13 MR. PYSER: Object to form.

14 A. Not that I recall.

15 BY MR. PAPANTONIO:

16 Q. And you recall going to DEA PowerPoint  
17 presentations where they made PowerPoints, and you  
18 don't ever remember the DEA showing you that graph  
19 that as sales increased for Cardinal so did deaths  
20 of people all over the United States?

21 MR. PYSER: Object to form.  
22 Speculation.

23 BY MR. PAPANTONIO:

24 Q. You don't recall that, do you?

1 MR. PYSER: Object to form.

2 A. I don't recall it.

3 BY MR. PAPANTONIO:

4 Q. So this says -- so the way the system  
5 works, it's called a closed system, right?

6 A. Yes.

7 Q. The closed system is that the distributor  
8 needs the manufacturer to manufacture the drugs,  
9 correct?

10 A. Yes.

11 Q. And then the pharmacy needs the  
12 distributor to sell them the drugs, correct?

13 A. Yes.

14 Q. And then the doctor needs the pharmacy to  
15 sell them the drugs, right?

16 MR. PYSER: Object to form.

17 A. Well, the doctor would issue the  
18 prescription, and then the patient would go to the  
19 pharmacy.

20 BY MR. PAPANTONIO:

21 Q. And it's a closed system. The  
22 manufacturer -- in other words, you all are doing  
23 business together. The manufacturer is doing  
24 business with the distributor. The distributor is



1 doing business with the pharmacy.

2 Correct?

3 DEFENSE COUNSEL: Objection to

4 form.

5 BY MR. PAPANTONIO:

6 Q. Is that right?

7 A. Registrant to license -- to license.

8 Q. Right. Everybody is working together in  
9 putting these drugs out on the street -- I mean  
10 out to pharmacies, correct?

11 MR. PYSER: Object to form.

12 DEFENSE COUNSEL: Object to form.

13 BY MR. PAPANTONIO:

14 Q. Correct?

15 A. That's the process.

16 Q. Yes. All right. It says -- talking about  
17 Miss Carter here. "Additionally, GS Carter will  
18 testify respondent knew or should have known that  
19 the large quantities of oxycodone it distributed  
20 to its top four customers were not dispensed for  
21 legitimate medical purposes."

22 Did you see that?

23 A. That's what it reads.

24 Q. That Cardinal knew that these drugs that

1       were going to their top four -- their top four  
2       customers were not being dispensed with legitimate  
3       medical purposes, which means diversion,  
4       correct?

5                       MR. PYSER: Object to form. Ongoing  
6       objection to this document. Hearsay.

7       BY MR. PAPANTONIO:

8           Q.     Correct?

9           A.     If that was the case, it would be.

10          Q.     Which is criminal conduct?

11                   MR. PYSER: Object to form.

12       BY MR. PAPANTONIO:

13          Q.     If this is true, that's criminal conduct  
14       we're talking about?

15          A.     It's a violation of the regulation.

16          Q.     Well, no. It's not -- if you -- if you  
17       sell drugs to somebody, that it's not supposed to  
18       be for a legitimate purpose, that is breaking the  
19       law, you're selling drugs illegally.

20                   MR. PYSER: Object to form.

21       BY MR. PAPANTONIO:

22          Q.     Right?

23          A.     I view it as a violation of the  
24       regulations.

1 Q. How about the young man on the street  
2 corner selling 3 ounces of marijuana? Do you view  
3 that as a regulatory violation, or is he breaking  
4 the law?

5 MR. PYSER: Object to form.

6 A. He's breaking the law because he's  
7 distributing an illicit drug that hasn't been  
8 approved by the FDA.

9 BY MR. PAPANTONIO:

10 Q. And, sir, your company was distributing  
11 drugs out of what it was told as far as how those  
12 drugs should be distributed. Your company was  
13 doing that, right?

14 MR. PYSER: Object to form.

15 A. No. They were distributed to a pharmacy  
16 that had a valid DEA registration.

17 BY MR. PAPANTONIO:

18 Q. Right, that you did business with, your  
19 top four customers -- let me make sure you  
20 understand what I'm saying.

21 Your top four customers were breaking the  
22 law in the way they were selling drugs. That's  
23 what this says, right?

24 MR. PYSER: Object to form.

1           A.     That's -- I can't speak to that. That's  
2     what it states.

3     BY MR. PAPANTONIO:

4           Q.     Okay. "Additionally, GS Carter will  
5     testify respondent knew or should have known that  
6     the large quantities of oxycodone it distributed  
7     to its top four customers were not being dispensed  
8     for legitimate medical purposes.

9                     "She will testify to the due diligence  
10    files associated with the four pharmacies and will  
11    testify that had the respondent conducted proper  
12    due diligence, Cardinal would have realized that  
13    the volume of oxycodone ordered by these four  
14    pharmacies well exceeded that of any other Florida  
15    retail pharmacy supplied by Cardinal."

16                    Do you see that?

17                    MR. PYSER: Object to form.

18    BY MR. PAPANTONIO:

19           Q.     Now --

20           A.     That's what it states.

21           Q.     -- understand, this is -- this is to your  
22    company, first of all --

23                    I left something out as far as the number  
24    of times that your company was put on notice of

1       doing wrong. I said -- I talked about 2005. I  
2       talked about 2006 and 2007 and 2008.

3               I didn't talk about the fact that you know  
4       your company had already been busted also by the  
5       New York Attorney General for breaking the law in  
6       2006 while you were in charge of  
7       regulatory/quality.

8               Show him document 3850.

9               You know -- did you know that? Did  
10      anybody tell you that the New York Attorney  
11      General actually had you -- had your company  
12      investigated and came up with a decision that your  
13      company had to sign off on saying that you had  
14      done things improperly? Did you know that?

15              MR. PYSER: Object to form.

16              A. I was --

17              MR. PAPANTONIO: Show it to him.

18      Give me the right -- let me find it. New York,  
19      3850 is what I've got. Find it if you don't have  
20      it.

21      BY MR. PAPANTONIO:

22              Q. Nobody had ever told you that? We're  
23      going to get it for you and show it to you in a  
24      minute.

1                   But nobody had ever told you that the New  
2    York Attorney General had actually -- that your  
3    company had to enter into an MOU with them because  
4    of the conduct that you were -- that you were  
5    engaged in up in New York?

6                   MR. PYSER: Object to form.  
7    Misstates.

8           A.    I was aware there was --

9    BY MR. PAPANTONIO:

10           Q.   Well, tell me what --

11           A.    -- something with --

12           Q.    -- tell me what you were aware of. How  
13    about that. Let's do it like that, while she's  
14    trying to find that document.

15           A.    That there was some type of agreement with  
16    the NY AG.

17                   MR. PAPANTONIO: Give me 4167. See  
18    if that's it. 4167.

19    BY MR. PAPANTONIO:

20           Q.    What's an MOU?

21                   MR. PYSER: Object to form.

22    BY MR. PAPANTONIO:

23           Q.    What's an MOU?

24           A.    Memorandum of understanding.

1 Q. 4167, please.

2 And the memorandum of understanding,  
3 please give him a copy of it.

4 You're aware of the memorandum of  
5 understanding that was reached in 2006?

6 MS. MOORE: Reardon 25.

7

8 (Exhibit No. 25 marked for  
9 identification.)

10

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. Now, this is in addition -- this is a new  
14 document here that we haven't looked at.

15 We talked about earlier, Mr. Reardon, you  
16 met with the DEA and you made certain promises to  
17 them about how you would conduct Internet pharmacy  
18 sales, correct?

19 A. Would you repeat that?

20 Q. Yes. You met with the DEA face-to-face in  
21 2005 and you made promises to them that you would  
22 operate your business within the realm of what  
23 they were suggesting to you on Internet  
24 pharmacies, right?

1 MR. PYSER: Object to form.

2 A. Yes.

3 BY MR. PAPANTONIO:

4 Q. And then in 2006, you got a letter from  
5 the DEA stating clearly what your responsibilities  
6 and duties were, correct?

7 MR. PYSER: Object to form.

8 A. Correct.

9 BY MR. PAPANTONIO:

10 Q. And selling -- then in 2007, you got  
11 another letter from the DEA stating what your  
12 responsibilities and duties were in relationship  
13 to the sale of narcotics in America, correct?

14 MR. PYSER: Object to form.

15 A. Correct.

16 BY MR. PAPANTONIO:

17 Q. And then in 2008, we find out you had to  
18 pay a \$34 million fine for not complying with DEA  
19 standards, correct?

20 MR. PYSER: Object to form.

21 A. We paid the fine, yes.

22 BY MR. PAPANTONIO:

23 Q. And so here's one we didn't talk about.

24 This is 4167, and this is where you were



1 actually -- Cardinal was actually buying drugs  
2 from other suppliers and selling them illegally in  
3 secondary markets.

4 Do you remember that?

5 MR. PYSER: Object to form.

6 Misstates.

7 BY MR. PAPANTONIO:

8 Q. Do you remember that?

9 MR. PYSER: Object to form.

10 A. I don't know -- I don't remember the  
11 specifics. I know there was an issue.

12 BY MR. PAPANTONIO:

13 Q. Well, let's see what it says.

14 2005, excuse me, it's 2005. This is at  
15 the same time you were meeting with Reardon and  
16 the -- the same time you were meeting with the DEA  
17 in relationship to Internet pharmacies, this was  
18 happening, too.

19 Let me see if I've got this right. Here's  
20 the question: "In 2005, the Office of Attorney  
21 General, the OAG, began an investigation focusing  
22 on the trading in secondary market for  
23 pharmaceuticals."

24 Do you see that? Tell the jury what the

1 secondary market for pharmaceuticals is.

2 A. The secondary market is a wholesale market  
3 that wholesalers trade amongst each other.

4 Q. You trade among each other, and why do you  
5 do that?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. It's cheaper?

9 A. I don't -- I don't know the specifics. It  
10 could be inventory issues.

11 Q. Well, there's a reason. You actually make  
12 more money by trading in the secondary markets,  
13 don't you?

14 MR. PYSER: Object to form.

15 A. Possibly.

16 BY MR. PAPANTONIO:

17 Q. Well, let's see what it says. Go to the  
18 next page.

19 It says "Cardinal is one of the three  
20 primary distributors of pharmaceuticals in the  
21 United States. Up until it ended its practice in  
22 December 2005, Cardinal, like other national  
23 full-line distributors, bought and sold drugs in  
24 secondary market, buying from selling to

1       wholesalers known as alternate source vendors."

2                   And you knew, sir, you know that was

3       illegal, right?

4                   MR. PYSER: Object to form.

5       Misstates evidence. Calls for speculation.

6       BY MR. PAPANTONIO:

7           Q.     It was legal to do that.

8                   MR. PYSER: Object to form.

9       Misstates evidence. Calls for a legal conclusion.

10       BY MR. PAPANTONIO:

11           Q.     Did you know whether or not it was illegal

12       to do that?

13                   MR. PYSER: Object to form. Same

14       objections.

15           A.     I don't understand this enough to make a

16       determination.

17       BY MR. PAPANTONIO:

18           Q.     Sir, you don't understand secondary

19       market. This is a 2005 document. Where were you

20       in 2005?

21           A.     I understand secondary market. I don't

22       understand how the pricing worked.

23           Q.     Okay. Well, let's look at this.

24                   You were -- what were you doing in 2005?

1       You've already told us. The jury knows what you  
2       were doing in 2005. Quality and regulatory,  
3       right?

4                       MR. PYSER: Object to form.

5       A. Right.

6       BY MR. PAPANTONIO:

7       Q. And you didn't know that this was going on  
8       in New York?

9                       MR. PYSER: Object to form.

10       A. I knew that there was an issue with the NY  
11       AG.

12       BY MR. PAPANTONIO:

13       Q. What is that? The New York Attorney  
14       General. You knew that?

15       A. I knew there was an issue.

16       Q. Right. And you were, nevertheless, still  
17       distributing drugs in New York, correct?

18                       MR. PYSER: Object to form.

19       A. This -- my understanding of this, it's all  
20       about pricing.

21       BY MR. PAPANTONIO:

22       Q. It's not. Let's go ahead and read it.

23                       MR. PYSER: Object to form.

24       BY MR. PAPANTONIO:

1           Q.    It says "Executive law 63-12 forbids any  
2    person or business from engaging in repeated  
3    fraudulent or illegal acts, including any  
4    evidence, scheme, or artifice to defraud and any  
5    deception, misrepresentation, concealment,  
6    suppression, false pretense, false promise."

7                   Do you understand what we're talking  
8    about?  We're talking about fraud here in  
9    Paragraph 3.  Is that clear to you?  Is that clear  
10   enough that we're talking about fraud?

11                   Underline "fraud" --

12                   MR. PYSER:  Object.

13   BY MR. PAPANTONIO:

14           Q.    -- and "misleading," please.

15                   MR. PYSER:  Object to form.

16   BY MR. PAPANTONIO:

17           Q.    Is it clear to you what we're talking  
18   about here right now?

19           A.    That's what it states.

20           Q.    Yes.  Okay.  And then it goes -- look at  
21   No. 5.  "In a 2003 internal Cardinal e-mail to a  
22   compliance officer, one executive addressed the  
23   issue as smaller vendors which provided unique  
24   opportunities to Cardinal.  Although acknowledging

1       that the vendors are high risk" -- do you know why  
2       they were high risk?

3                       MR. PYSER: Object to form.

4           A.     I do not.

5       BY MR. PAPANTONIO:

6           Q.     It says "The writer concluded that since  
7       we feed the margin from these high-risk vendors,  
8       we will continue to buy from them."

9                       So Cardinal is buying from what they  
10       considered high-risk vendors, correct?

11                      MR. PYSER: Object to form.

12          A.     That's what it states.

13       BY MR. PAPANTONIO:

14          Q.     "As late as 2004, internal Cardinal  
15       documents continued to discuss the risks inherent  
16       in the secondary market. Cardinal Health is  
17       taking significant steps to make sure that the  
18       product distributed is authentic and safe. Also  
19       reported Cardinal Health has a vested interest in  
20       maintaining the secondary distribution market. It  
21       is believed that many -- that this market is the  
22       weakest point in the chain for the introduction of  
23       counterfeit product."

24                      Now, did you know what your company agreed

1 to do as far as the MOU after they were -- after  
2 this occurred with the New York Attorney  
3 General?

4 MR. PYSER: Object to form. Object  
5 to form. Now go ahead and answer.

6 A. I don't recall the specifics.

7 BY MR. PAPANTONIO:

8 Q. So nobody ever told you -- nobody ever  
9 told Mr. Reardon that this document had to be  
10 signed by Cardinal management where you agreed to  
11 have a monitoring system in place that caught  
12 excessive orders? Did you know that?

13 MR. PYSER: Object to form.

14 A. Excessive orders?

15 BY MR. PAPANTONIO:

16 Q. Yes, do you --

17 A. With this?

18 Q. Let me ask it a different way. Yes.

19 Do you understand that there was a MOU put  
20 in place by the New York Attorney General that  
21 you -- that your company agreed to?

22 MR. PYSER: Object to form.

23 A. Yes, I know there was --

24 BY MR. PAPANTONIO:

1 Q. Well, let's --

2 MR. PYSER: Go ahead and let him  
3 finish the answer, Counsel.

4 BY MR. PAPANTONIO:

5 Q. Go ahead. Yes.

6 A. Yes, I was aware that there was an  
7 agreement.

8 Q. Well, what we're going to do is attach the  
9 agreement right to this deposition so the jury can  
10 see what you agreed to again in 2005 about what  
11 you were going to agree to as far as your  
12 responsibility in stopping diversion.

13 MR. PYSER: Object to form. Move to  
14 strike the colloquy of counsel.

15 MR. PAPANTONIO: I'm going to put,  
16 2005, and this is the New York Attorney General  
17 MOU.

18 BY MR. PAPANTONIO:

19 Q. All right. And then --

20 MR. PYSER: Same -- hold on, please.  
21 The same objections to the demonstrative, and a  
22 new objection to the demonstrative that was just  
23 shown.

24 The relevance to the New York AG to this



1 litigation is zero.

2 BY MR. PAPANTONIO:

3 Q. Southern District of New York. Who is --

4 what is Kinray?

5 A. Kinray is a distribution center in the

6 New York area that was an acquisition of

7 Cardinal's.

8 Q. Kinray was opened by Cardinal, correct?

9 A. At some point. I -- I don't know the date  
10 the acquisition was made.

11 Q. Well, it says -- if I were to tell you  
12 that we got the document and it says it was made  
13 on 11/18/2010, you wouldn't take exception to  
14 that, would you?

15 MR. PYSER: Object to form.

16 A. I couldn't. I don't know the date.

17 BY MR. PAPANTONIO:

18 Q. Well, the jury will see the date. But  
19 Kinray --

20 MR. PYSER: Object to form. Move to  
21 strike.

22 BY MR. PAPANTONIO:

23 Q. But Kinray was already -- if they were --  
24 if they were -- if the deal was made with Kinray

1 on 2010, then you understood that by 2016, the New  
2 York Attorney General had announced a fine against  
3 them for \$10 million because of the way they were  
4 conducting business in New York, correct?

5 MR. PYSER: Object to form.  
6 Misstates.

7 BY MR. PAPANTONIO:

8 Q. Did you know that?

9 MR. PYSER: Object to form. Same  
10 objections.

11 BY MR. PAPANTONIO:

12 Q. Tell me, did you know that Kinray paid a  
13 \$10 million fine?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. For the way they were conducting business  
17 in New York and admitted that they had done wrong  
18 in the way they were doing business?

19 MR. PYSER: Object to form.

20 A. I don't recall that.

21 MR. PAPANTONIO: Let's attach this.  
22 This is 4201. Let's attach this to the  
23 deposition.

24 BY MR. PAPANTONIO:

1 Q. What is this document?

2 MR. PYSER: Counsel, you've attached  
3 things to the deposition and marking them as  
4 exhibits --

5 MR. PAPANTONIO: Yes.

6 MR. PYSER: If you're marking this  
7 as an exhibit, can you provide a copy --

8 MR. PAPANTONIO: We did provide you  
9 one, didn't we. Get him a copy.

10 MS. MOORE: This is 4422.

11

12 (Exhibit No. 21 marked for  
13 identification.)

14

15 MR. PAPANTONIO: Give me 4422.

16 MR. PYSER: Before we move on, I  
17 would like a copy of the exhibits that you're  
18 marking.

19 MR. PAPANTONIO: We'll give them to  
20 you.

21 BY MR. PAPANTONIO:

22 Q. Now, while we're looking for that, nobody  
23 ever told you what the result of the Kinray  
24 investigation was and how they were forced to pay

1       \$10 million?

2                   Nobody ever told you that prior to coming  
3       here today, did they?

4                   MR. PYSER: Object to form.

5       BY MR. PAPANTONIO:

6           Q.     Right?

7           A.     I don't recall.

8           Q.     Nobody ever showed you these documents I'm  
9       showing you right now that as late as 2016 that  
10      your company still is not doing it right according  
11      to standards of selling narcotics in the United  
12      States?

13                  MR. PYSER: Object to form.  
14      Misstates evidence. Assumes facts not in  
15      evidence.

16       BY MR. PAPANTONIO:

17           Q.     Let's see if it misstates. Show him the  
18      document.

19                  MS. MOORE: 42301 is Reardon  
20      Cardinal 26.

21  
22                  (Exhibit No. 26 marked for  
23      identification.)  
24

1 MS. MOORE: 42322 is Cardinal

2 Reardon 27.

3

4 (Exhibit No. 27 marked for  
5 identification.)

6

7 BY MR. PAPANTONIO:

8 Q. Now I want you to look at 4222, since this  
9 is the first time you've ever heard of a consent  
10 order being entered between Kinray and your  
11 company, Cardinal. Okay? Take a look at the  
12 front of it.

13 Pretty clear what it is, isn't it?

14 A. (Witness reviews document.)

15 Q. Southern District -- United States  
16 Attorney General, Southern District of New York  
17 and it says United States of America versus  
18 Kinray, and it says "Consent Order," and the date  
19 on this is 2016.

20 Let's go to the next page.

21 "Between January 1, 2011, and May 14,  
22 2012, defendant committed reporting violations of  
23 the CSA."

24 What is the CSA?

1 A. Controlled Substances Act.

2 Q. And that's the one that was written all  
3 the way back in 1971, correct?

4 MR. PYSER: Object to form on this  
5 and the prior question.

6 BY MR. PAPANTONIO:

7 Q. Correct?

8 A. Correct.

9 Q. And "regulations by failing to adequately  
10 operate a system designed to identify suspicious  
11 orders of controlled substances and inform the DEA  
12 of those suspicious orders pursuant to 21 CFR  
13 131."

14 So what are the two things that you've  
15 been accused of here according to what you're  
16 reading?

17 MR. PYSER: Object to form.

18 A. Failing to adequately operate a system  
19 designed to identify suspicious orders of  
20 controlled substances and inform the DEA of those  
21 suspicious orders.

22 BY MR. PAPANTONIO:

23 Q. And I think we've established that, prior  
24 to coming here, nobody showed this to you, right?

1 Correct?

2 MR. PYSER: Object to form.

3 A. Correct.

4 BY MR. PAPANTONIO:

5 Q. And you didn't know about this prior to  
6 coming here today. As late as 2016, your still --  
7 your company still is not doing things right as  
8 far as suspicious orders?

9 MR. PYSER: Object to form.

10 Misstates evidence.

11 BY MR. PAPANTONIO:

12 Q. Right?

13 MR. PYSER: Object to form.

14 Misstates evidence.

15 BY MR. PAPANTONIO:

16 Q. Am I right?

17 MR. PYSER: Object to form.

18 Misstates evidence.

19 A. I had already left the company.

20 BY MR. PAPANTONIO:

21 Q. You left the company and became a  
22 consultant. You're a consultant as we sit here  
23 today. You get paychecks from the company.  
24 Right?

1 A. I work on non-DEA matters.

2 Q. But you get paychecks from the company?

3 MR. PYSER: Object to form. Asked

4 and answered.

5 BY MR. PAPANTONIO:

6 Q. Right?

7 A. Yes.

8 Q. So you have a direct -- even though you're  
9 not with the company, you certainly get paychecks  
10 from them still, don't you?

11 MR. PYSER: Object to form. Asked

12 and answered.

13 BY MR. PAPANTONIO:

14 Q. Right?

15 A. To work on non-DEA matters.

16 Q. Okay. But you get money from them is what  
17 we're trying to say. Right?

18 MR. PYSER: Object to form.

19 A. Yes.

20 BY MR. PAPANTONIO:

21 Q. And then it says "Now, therefor" -- you  
22 see where it says "Now therefor ordered that" --  
23 number two, you see -- "Defendant admits" -- it  
24 says it admits. Circle that, please -- "it



1 acknowledges," -- Circle that, please. And "it  
2 accepts responsibility for the following  
3 violations of the regulations promulgated by the  
4 DEA."

5 Do you see that?

6 MR. PYSER: Object.

7 BY MR. PAPANTONIO:

8 Q. You admit that you did it wrong, you  
9 acknowledge you did it wrong, and you accept  
10 responsibility.

11 MR. PYSER: Object to form.

12 BY MR. PAPANTONIO:

13 Q. That's what it says there, doesn't it?

14 MR. PYSER: Object to form. Vague  
15 as to who the defendant is.

16 BY MR. PAPANTONIO:

17 Q. Is there -- do you not understand who the  
18 defendant is here? Because your lawyer doesn't  
19 seem to understand who the defendant is here.

20 Let's help him. Let's help your lawyer  
21 understand who the defendant is.

22 MR. PYSER: Object to form. Move to  
23 strike.

24 BY MR. PAPANTONIO:

1 Q. Let's go to the front of it.

2 It says "United States versus Kinray." Who  
3 owns Kinray?

4 MR. PYSER: Object to form. Vague  
5 as to time.

6 BY MR. PAPANTONIO:

7 Q. Who owns Kinray?

8 MR. PYSER: Same objection.

9 A. I -- as of right now, Cardinal Health.

10 BY MR. PAPANTONIO:

11 Q. Cardinal Health. Right. And what's the  
12 date on this? 12/22/16.

13 Who owned Kinray on 12/22/16?

14 A. Cardinal Health.

15 Q. Good. We've cleared that up for your  
16 lawyer. Now let me ask you some questions.

17 MR. PYSER: Object to form. Move to  
18 strike.

19 BY MR. PAPANTONIO:

20 Q. Let me ask you some questions.

21 It says here, "Defendant admits,  
22 acknowledges, and accepts responsibility for the  
23 following violations."

24 Here, let's go through the following

1 violations.

2 "Between January 1, 2011 and May 12 -- May  
3 14, 2012, defendant failed to inform the DEA that  
4 certain orders for controlled substances it  
5 received from some customers were suspicious as  
6 required by 21 CFR."

7 Then it says "Defendant shall pay the sum  
8 of \$10 million to the United States."

9 That's pretty big fine, isn't it?

10 MR. PYSER: Object to form.

11 A. Yes.

12 BY MR. PAPANTONIO:

13 Q. And did you -- and nobody had told you  
14 prior to the time you came in here today that even  
15 as late as 2011 and 2012 that your system that you  
16 described was the new, improved system that came  
17 about in 2007 still wasn't working right, right?

18 MR. PYSER: Object to form.

19 A. I can't speak do that. I -- I haven't  
20 seen this. I don't...

21 MR. PAPANTONIO: All right. You got  
22 that introduced, right?

23 Michael, how much time have we got? I  
24 want to save you what you need.

1 BY MR. PAPANTONIO:

2 Q. Okay. Do you see the bottom of .27 on  
3 this -- the document we've been dealing with all  
4 day long, the jury will have in front of them to  
5 review.

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. .27, "GS Carter will testify to her  
9 investigation of CVS, one of respondent's top  
10 pharmacy customers, located in Sanford, Florida,  
11 based on her investigation between January 2010  
12 and October 2011, 58 percent of all oxycodone 30  
13 milligram sales were paid for in cash."

14 Did you see that?

15 MR. PYSER: Object to form.

16 A. That is what it states.

17 BY MR. PAPANTONIO:

18 Q. Do you remember that list I showed you of  
19 things that you're supposed to look for when a  
20 pharmacy is doing wrong?

21 You remember it says if you're seeing  
22 people pay with cash, that's a red flag, isn't it?

23 A. Yes.

24 Q. And then it says "Had Cardinal" -- listen

1 to this, "Had Cardinal conducted a site visit at  
2 CVS, it would have learned of the 58 percent of  
3 oxycodone 30 milligram sales were paid for in  
4 cash."

5 Now, you would agree you actually have to  
6 show up on the site to figure out what's going on  
7 on the site, right?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. You would agree with that, right?

11 A. You would have to go to the site.

12 Q. But look at page 29.

13 In other words, Cardinal has to go to the  
14 site. Correct?

15 People, bodies, living people have to go  
16 to the site, that work for Cardinal, correct?

17 MR. PYSER: Object to form.

18 A. Correct.

19 BY MR. PAPANTONIO:

20 Q. And look at page 29. It says, in the  
21 middle of the page, it says "According to the  
22 conversation, Ms. Gibbs stated that a  
23 representative from respondent contacted CVS  
24 corporate offices to report that Mallinckrodt, a

1 supplier of respondent's, had noticed high  
2 oxycodone sales to three Florida pharmacies and  
3 asked that CVS go out to the three pharmacies to  
4 ensure that oxycodone purchases were legitimate."

5 Now, it would be completely improper and  
6 absolutely violating the regulations to ask CVS to  
7 monitor itself, wouldn't it?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. You would agree that it would be totally  
11 improper to ask one of your customers to go out  
12 and check to see if things were being done  
13 right?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. Right? That would be wrong, wouldn't  
17 it?

18 MR. PYSER: Object to form.

19 A. I would think you would want an employee  
20 to visit.

21 BY MR. PAPANTONIO:

22 Q. And the next page, the very top, it says,  
23 .3, "She will further testify that respondent  
24 not -- that had respondent not relied on CVS to

1       conduct their own due diligence and had CVS  
2       properly conducted due diligence, respondent and  
3       CVS would have been aware that their sales of  
4       controlled substances were being diverted to  
5       illegitimate channels."

6               That's what Miss Carter said, right?

7               MR. PYSER: Object to form.

8       A.     That's what she said.

9               MR. PAPANTONIO: Let's go and  
10      introduce 4093, the declaration of Michael  
11      Leonhart -- excuse me, Michele Leonhart. Let's  
12      introduce that.

13

14              (Exhibit No. 28 marked for  
15      identification.)

16

17              MS. MOORE: This is Cardinal Reardon  
18      28.

19      BY MR. PAPANTONIO:

20              Q.     Now let me ask you something. You  
21      understand what the standards of -- the industry  
22      standards of how a company should conduct  
23      business. You understand what an industry  
24      standard is, right?

1 A. Yes.

2 Q. And you were familiar with McKesson? You  
3 know who they are, correct?

4 A. Yes.

5 Q. You're familiar with McKesson? You're  
6 familiar with ABC, true?

7 A. Correct.

8 Q. And you were familiar with their  
9 standards, correct?

10 MR. PYSER: Object to form.

11 A. Somewhat.

12 BY MR. PAPANTONIO:

13 Q. Well, you were familiar with how they  
14 conducted business, right?

15 MR. PYSER: Object to form.

16 DEFENSE COUNSEL: Object to form.

17 A. I can't speak to their entire business,  
18 how they conducted business.

19 BY MR. PAPANTONIO:

20 Q. Well, did they use the same routines you  
21 used as far as suspicious orders?

22 MR. PYSER: Object to form.

23 A. I believe they did use, up until 2007, the  
24 ingredient limit report. I know from a



1 presentation done by another wholesaler at a DEA  
2 conference in Houston that they were developing or  
3 had developed a new process.

4 BY MR. PAPANTONIO:

5 Q. You haven't seen the depositions we took  
6 of either one of those companies, have you?

7 A. No.

8 Q. You don't know -- you haven't seen the  
9 depositions of McKesson, for sure, have you?

10 DEFENSE COUNSEL: Objection to form.

11 A. No.

12 BY MR. PAPANTONIO:

13 Q. Did you ever see the depositions we took  
14 of their company where we asked them questions  
15 about that?

16 DEFENSE COUNSEL: Objection to form.

17 A. No.

18 BY MR. PAPANTONIO:

19 Q. It says -- look at -- this document is  
20 4093. Look at page 13, please, .13.

21 You see right down here, so we can move  
22 through this, I don't have much time, but it says  
23 "I had information before me that Cardinal  
24 Lakeland was improperly relying on chain

1 pharmacies to police themselves rather than  
2 performing independent due diligence, despite  
3 having been told that that was unacceptable."

4 And you -- my question is you would agree  
5 it would be unacceptable for CVS to do its own  
6 independent due diligence? You would agree with  
7 that?

8 MR. PYSER: Object to form. And  
9 objection, hearsay.

10 A. No.

11 BY MR. PAPANTONIO:

12 Q. Is that right?

13 A. Based on what this is saying.

14 Q. Well, let's not even say what this is  
15 saying.

16 It would be improper for Cardinal to allow  
17 its own customers to do their own due diligence  
18 surveys, correct?

19 MR. PYSER: Object to form.

20 A. You would expect that a Cardinal employee  
21 would conduct the visit.

22 BY MR. PAPANTONIO:

23 Q. Did you know that the conduct that was  
24 taking place in the Lakeland area was actually

1       quantified as constituting an imminent danger to  
2       public health and safety?

3               Had anybody ever he told you the conduct  
4       of those pharmaceutical companies, those  
5       pharmacies we're talking about, that the conduct  
6       had actually risen to being an imminent danger to  
7       the public health and safety?

8               MR. PYSER: Object to form.

9       A. I had not heard that.

10      BY MR. PAPANTONIO:

11       Q. Well, now that you have, look at       page  
12      18 of this affidavit that you have in front of  
13      you, this declaration by Michele Leonhart. Take a  
14      look at that. Look at page 18.

15              MR. PYSER: Object to form, and move  
16      to strike "now that you have" commentary by  
17      Counsel.

18      BY MR. PYSER:

19       Q. Do you see that page 18?

20      A. Yes.

21       Q. It says "Collectively, these findings led  
22      me to conclude that Cardinal, Lakeland's continued  
23      registration while these proceedings are pending,  
24      constitutes an imminent danger to the public

1 health and safety."

2 And then you see where down there, it says

3 "Possibility of public harm resulting from" -- you

4 see where it says "possibility of public harm"?

5 A. Yes, I see that.

6 Q. You understand that's how they're

7 describing the company that you're selling

8 narcotics to is that the conduct is so bad,

9 they're describing it as imminent danger to the

10 public health and safety?

11 Is that the first time you've seen that?

12 MR. PYSER: Object to form.

13 A. This? Yes.

14 BY MR. PAPANTONIO:

15 Q. I'm sorry. That is the first time you saw

16 that?

17 A. Yes.

18 Q. I want you to go to page 35 of document

19 4085 that we've been talking about all day.

20 Do you see where it says,

21 "November 18, 2008, CareMed's owner, Roscoe Heim,

22 stated on a survey response that he used the

23 following distributors: Cardinal, API, ExpertMed,

24 Spectrum, PCCA, Hawkins, and Masters."

1           It says "On March 29, Mr. Heim sent a  
2   letter to respondent" -- that's Cardinal? We're  
3   still talking about Cardinal, right?

4           A.    Yes.

5           Q.    -- "sent a letter to Cardinal  
6   representative Steve Morse and stated that  
7   respondent Carl -- excuse me -- Cardinal and API  
8   were their primary source for controlled  
9   substances. On April 15th, respondent  
10   representative Chris Forst acknowledged via e-mail  
11   that he was aware that CareMed had another  
12   distributor, despite respondent's knowledge of the  
13   other distributors. GS Carter will testify to the  
14   routine oxycodone monthly threshold statements to  
15   the ESOM amounting to a 609 percent increase over  
16   13 months."

17           Now, do you understand what that says?

18                   MR. PYSER: Objection.

19   BY MR. PAPANTONIO:

20           Q.    Do you understand what we just read  
21   there?

22                   MR. PYSER: Object to form.

23           A.    Yes, I can see what it states.

24   BY MR. PAPANTONIO:

1 Q. Tell the jury what an ESOM is.

2 A. I don't know what an ESOM is.

3 Q. You never heard of a -- okay, you just  
4 don't know what it is.

5 So do you know that according to the ESOM,  
6 which is a way that the records are kept, and  
7 you've never heard of that in the 30 years or 28  
8 years you've been with Cardinal, ESOM?

9 A. I have not --

10 MR. PYSER: Object to form.

11 A. -- I have not heard that acronym.

12 BY MR. PAPANTONIO:

13 Q. You never heard of electronic -- well, you  
14 just haven't heard of it. I'll just move on from  
15 there.

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. 609 percent of narcotics increase over 13  
19 months. That's a big number. 609 percent  
20 increase of sale of narcotics over a 13-month  
21 period.

22 Would that be something that you would see  
23 as a suspicious order?

24 A. It's a significant increase, would warrant

1 looking into.

2 Q. Carl Wright -- Kyle Wright. You're  
3 friends with Kyle Wright right? He works with  
4 DEA?

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. You're friends with him, aren't you?

8 A. Not friends.

9 Q. How do you know him?

10 A. Just through his position at DEA.

11 Q. Do you know he did an affidavit, he did a  
12 declaration in the investigation of your company  
13 that was taking place in 2012? Did you know that  
14 he was involved in that investigation?

15 MR. PYSER: Object to form.

16 A. I was not.

17 BY MR. PAPANTONIO:

18 Q. Excuse me?

19 A. No, no.

20 MR. PAPANTONIO: I think we're done  
21 here.

22 Let me introduce this.

23 MS. MOORE: This is Cardinal Reardon  
24 29, and then the declaration of Ruth Carter will

1 be Cardinal Reardon 24.

2

3 (Exhibit No. 24 marked for

4 identification.)

5

6 BY MR. PAPANTONIO:

7 Q. Let me be sure about something.

8 The document we've been talking about is a

9 2012 document, and it's a DEA investigation

10 document, right?

11 That's what we've been talking about all

12 day. Did you know that?

13 MR. PYSER: Object to form.

14 BY MR. PYSER:

15 Q. Did you know that?

16 A. This one here?

17 Q. The one -- 4085. The one we've been

18 talking about all day. What does it say on the

19 front?

20 A. "Prehearing statement."

21 Q. It says "In the matter of Cardinal

22 Health," right?

23 A. Right.

24 Q. Okay. And you never -- none of this that



1 we've covered so far anybody shared with you prior  
2 to coming in here today, correct?

3 MR. PYSER: Object to form.

4 A. Not to my recollection.

5 MR. PAPANTONIO: All right. Well,  
6 we're going to introduce 629, and I'm going to  
7 clear this out and let my partner Mike take over.

8 Let's take a quick break so he can get set  
9 up.

10 MR. PYSER: Before we go off the  
11 record, the same objections to the demonstrative.

12 What exhibit number is it again?

13 MS. MOORE: This is 29.

14 MR. PYSER: Same objections that  
15 have already been stated on the record to Exhibit  
16 29.

17 THE VIDEOGRAPHER: The time is 3:53  
18 p.m. We are off the record.

19  
20 (Recess taken from 3:53 p.m.  
21 to 4:10 p.m.)  
22

23 THE VIDEOGRAPHER: The time is 4:10  
24 p.m., and we're on the record.

1

2

DIRECT EXAMINATION

3

BY MR. FULLER:

4

Q. Mr. Reardon, I'm Mike Fuller. I'm going

5

to be taking over for Mr. Papantonio for a little

6

bit. Okay?

7

A. Okay.

8

Q. Tell me, when did you start in the

9

anti-diversion division at Cardinal?

10

A. Well, I started with Cardinal in January

11

of -- June of 1988.

12

Q. Correct.

13

A. So at that particular point in time, I

14

worked in the Peabody distribution center. It

15

wasn't a corporate role.

16

Q. Okay.

17

A. As the company grew, the role expanded and

18

we started to centralize activities, and I would

19

say we were really going full ahead on that

20

starting early '90s.

21

Q. So what was your title again from 2005 to

22

2007?

23

A. At the end?

24

Q. 2005 to 2007.

1           A.    Vice president quality and regulatory  
2    affairs.

3           Q.    And how far back did that title go?

4           A.    I believe I got that title in 2005.

5           Q.    What was your title prior to that?

6           A.    It was a director. I'm not sure if it was  
7    QRA or director of regulatory compliance. It  
8    varied.

9           Q.    So fair to say prior to 2000, you were  
10   still in QRA or regulatory, right?

11          A.    Yes.

12          Q.    And I think you testified repeatedly to  
13   Mr. Papantonio that the system that was in place  
14   were these indicator -- or excuse me -- ingredient  
15   limit reports, correct?

16          A.    Correct.

17          Q.    And you stated that that changed the end  
18   of 2007, beginning of 2008, fair?

19          A.    Yes.

20          Q.    How far back were those ingredient limit  
21   reports being provided to the DEA, based on your  
22   recollection?

23          A.    Roughly '94, '95.

24          Q.    And you mentioned also that you had seen

1 Mr. Rannazzisi's 2006 letter.

2 Can we get a copy of that. 3763.

3 No, it's not 3763, it's 4650. I'm sorry.

4

5 (Exhibit No. 29 marked for

6 identification.)

7

8 (Exhibit No. 30 marked for

9 identification.)

10

11 MR. FULLER: Gina, if you go to page

12 7.

13 MS. MOORE: Exhibit Reardon 30.

14 MR. FULLER: This is going to be

15 entered as Plaintiffs' Exhibit 30, for the record.

16 BY MR. FULLER:

17 Q. Do you have 4650 in front of you,

18 Mr. Reardon?

19 A. Yes.

20 Q. And if you'll turn to page 7, I think that

21 is the September 27, 2007 letter.

22 Do you see that there?

23 A. I have it.

24 Q. Now, earlier you looked at the December

1 2007 letter with Mr. Papantonio, correct?

2 A. Correct.

3 Q. Now let's look at this letter as well.

4 You see it starts out much the same as the  
5 December 2007 letter did.

6 "This letter is being sent to every  
7 commercial entity in the United States registered  
8 with the Drug Enforcement Administration, DEA, to  
9 distribute controlled substances. The purpose of  
10 this letter is to reiterate the responsibilities  
11 of controlled substance distributors in view of  
12 the prescription drug abuse problem our nation is  
13 currently facing."

14 You agree that during 2007 we were facing  
15 an opioid epidemic, right?

16 MR. PYSER: Object to form.

17 A. Based on the statement here, yes.

18 BY MR. FULLER:

19 Q. Well, not based on the statement here.

20 Based on your own knowledge.

21 You were in regulatory related to opioids  
22 in 2006, correct?

23 A. Yes.

24 Q. You were aware of what was going on in our

1 society and the epidemic that this country was in  
2 the middle of, weren't you?

3 A. I was aware that there's opioid abuse.

4 Q. Now let's continue.

5 It says, in the next paragraph,

6 "Background: As each of you know" -- excuse me.

7 "As each of you is undoubtedly aware, the abuse of  
8 nonmedical use of controlled prescription drugs is  
9 a serious and growing health problem in this  
10 country."

11 And it cites to the National Institute on  
12 Drug Abuse & Research report.

13 Do you see that there as well?

14 A. I do.

15 Q. Now, you do recall getting this letter and  
16 reviewing this letter at the time; is that right?

17 A. That's correct.

18 Q. And it was during this time that you were  
19 over the anti-diversion department, correct?

20 A. That's correct.

21 Q. Let's continue in the next paragraph.

22 "The Controlled Substances Act, or CSA,  
23 was designed by Congress to combat diversion by  
24 providing a closed system for drug distribution in

1       which all legitimate handlers of controlled  
2       substances must obtain a DEA registration as a  
3       condition for maintaining their registration and  
4       must make reasonable steps to ensure their  
5       registration is not being utilized as a source of  
6       diversion."

7                   Do you see that?

8           A.    I do.

9           Q.    Let's go down just a little bit here where  
10       it says "If the closed system is to function  
11       properly as Congress envisioned, distributors must  
12       be vigilant in deciding whether a perspective  
13       customer can be trusted to deliver controlled  
14       substances only for lawful purposes."

15                   And you agree with that, correct?

16                   If the closed system is going to work the  
17       way it was designed, you must be vigilant as a  
18       wholesale distributor, Cardinal must be vigilant  
19       in the drugs it sends out?

20                   MR. PYSER:  Object to form.

21           A.    It's a valid statement.

22       BY MR. FULLER:

23           Q.    Turn to the next page.  This is where  
24       Rannazzisi sets out some of your obligations,

1 right?

2 You remember this?

3 If you go down to the third paragraph on  
4 the page, he states that "Statutory factor -- the  
5 statutory factors DEA must consider in deciding  
6 whether to revoke a distributor's registration are  
7 set forth in 21 USC 823(e)."

8 Are you familiar with that code section,  
9 that rule, that safety rule?

10 A. No.

11 Q. "Listed among other factors that the duty  
12 of the distributor is to maintain effective  
13 controls against diversion of controlled  
14 substances"?

15 A. I'm familiar with the regulations.

16 Q. And you are aware that you are required to  
17 have a system that maintained effective controls  
18 against diversion of controlled substances and to  
19 other legitimate medical scientific and industrial  
20 channels, correct?

21 MR. PYSER: Object to form.

22 A. I understand that we needed to design and  
23 operate a system to identify and --

24 BY MR. FULLER:



1 Q. Suspicious orders?

2 A. Suspicious orders.

3 Q. Well, those are two separate requirements,  
4 are they not?

5 So here, Mr. Rannazzisi is talking about  
6 21 USC 823, which is an United States code.

7 That's what USC stands for, right?

8 A. Yes.

9 Q. And then if you look down further on the  
10 page, he's then talking about 21 CFR Code of  
11 Federal Regulation 1301.74(b), which is your  
12 suspicious orders requirement, isn't it?

13 A. Correct.

14 Q. And then what does he say in the next  
15 sentence? Read that to us. "It bears emphasis."

16 A. "It bears emphasis that the foregoing  
17 reporting requirement is in addition to and not in  
18 lieu of the general requirement under 21 USC  
19 823(e) that a distributor maintain effective  
20 controls against diversion."

21 Q. So as a distributor, you take on a dual  
22 requirement; isn't that right?

23 MR. PYSER: Object to form.

24 A. That's what it appears, based on the

1 letter.

2 BY MR. FULLER:

3 Q. And you didn't know that before today; is  
4 that right?

5 A. My focus was on the regulation.

6 Q. You were focusing on the suspicious order  
7 requirements, right?

8 A. Right.

9 Q. Okay. So that's one part of the system,  
10 correct?

11 And according to Mr. Rannazzisi the United  
12 States Code enacted by Congress, the other part is  
13 to maintain effective controls against diversion,  
14 correct?

15 MR. PYSER: Object to form.

16 A. It seems to appear that way.

17 BY MR. FULLER:

18 Q. And let's talk as a moral company. If  
19 you're going to operate a company that operates  
20 with a moral basis, you're dealing with highly  
21 addictive and dangerous medications, particularly  
22 in Schedule IIs, are you not?

23 A. Yes.

24 Q. And you want to maintain effective

1 controls against diversion, don't you?

2 A. That would make sense, yes.

3 Q. And I mean, you want to protect the public  
4 from the harm that these drugs can do. That's why  
5 we have this closed system, isn't it?

6 MR. PYSER: Object to form.

7 A. We want to meet the requirements that will  
8 take us in that direction.

9 BY MR. FULLER:

10 Q. Well, do you also want to protect the  
11 public from the harm that these drugs can cause?

12 MR. PYSER: Object.

13 A. I think we do that by meeting the  
14 requirements.

15 BY MR. FULLER:

16 Q. So you would agree that we have two  
17 separate requirements, based on Mr. Rannazzisi's  
18 letter, right?

19 A. That's what it appears to be.

20 Q. Do you disagree with that?

21 A. No. I'm going by the letter that --

22 Q. And this is a letter you read back in  
23 2006?

24 A. Yes.

1 Q. And if you had any questions, you could  
2 have called the DEA about it, right?

3 A. Yes.

4 Q. So then it then says "Thus, in addition to  
5 reporting all suspicious orders, a distributor has  
6 a statutory responsibility to exercise due care to  
7 avoid filling suspicious orders that might be  
8 diverted into other legitimate medical,  
9 scientific, or industrial channels;" doesn't it?

10 A. Yes.

11 Q. And that's what's known as the shipping  
12 requirement or not shipping requirement, isn't  
13 it?

14 MR. PYSER: Object to form.

15 A. Well, yes.

16 BY MR. FULLER:

17 Q. Well, let me ask you, when you say a  
18 suspicious order and you have to report suspicious  
19 orders, suspicious of what? Potential diversion,  
20 correct?

21 A. Yes, it would be an order of unusual size,  
22 pattern, or frequency that would make it  
23 suspicious.

24 Q. But when we're talking about suspicious,

1       what we're trying to do is prevent diversion,  
2       isn't it?

3           A.     Yes.

4           Q.     So if we have an order that we've  
5       determined is suspicious, we wouldn't want to give  
6       it to the people we think are placing the  
7       suspicious order, would we?

8                   MR. PYSER:  Object to form.

9       BY MR. FULLER:

10          Q.     That wouldn't make sense?

11          A.     No.

12          Q.     We would want to do whatever due diligence  
13       we need to do to confirm that it is not a  
14       suspicious order before we ship it, correct?

15                   MR. PYSER:  Object to form.

16          A.     Correct.

17       BY MR. FULLER:

18          Q.     Now, let's talk a little bit more about  
19       these ingredient limit reports.  And I've heard  
20       you say several times today that these ingredient  
21       limit reports were approved by the DEA.

22                   Tell the jury who at the DEA approved  
23       these ingredient limit reports.

24          A.     I believe there's a letter out there by

1 Thomas Gitchel.

2 Q. Thomas who?

3 A. Gitchel.

4 Q. Can you help me out with the spelling of  
5 that last name?

6 A. G-i-t-c-h-e-l.

7 Q. And when was that letter sent?

8 A. It was around 1990.

9 Q. And in 1990, you believe some letter is  
10 out there that exists that says it's okay to  
11 provide the ingredient limit reports?

12 A. There was a collaboration between the DEA  
13 and the trade association to develop the report.

14 Q. You don't happen to have a copy of that  
15 letter, do you?

16 A. I do not.

17 Q. Because any communications between the DEA  
18 and Cardinal, there's been an order that that's  
19 supposed to be produced to the plaintiffs, and I  
20 have not seen that letter.

21 A. I --

22 MR. PYSER: Object to form.

23 BY MR. FULLER:

24 Q. Might that be one of those documents that

1       you shredded?

2                               MR. PYSER: Object to form.

3       Argumentative.

4       A.    No, I wouldn't -- no.

5       BY MR. FULLER:

6       Q.    You wouldn't have shredded that one?

7       A.    No.

8       Q.    Just other documents?

9                               MR. PYSER: Object to form.

10       BY MR. FULLER:

11       Q.    Right?

12                               MR. PYSER: Object to form.

13       A.    Other documents that required shredding.

14                               MR. FULLER: Sure. So these

15       ingredient limit reports -- let me see 3756.

16       That's a big one.

17                               This is going to be Plaintiffs' Exhibit

18       31.

19

20                               (Exhibit No. 31 marked for

21       identification.)

22

23       BY MR. FULLER:

24       Q.    Have you seen this type of document

1 before? It appears to be an ingredient limit  
2 report, correct?

3 A. Not in this format, but yes.

4 Q. It is an ingredient limit report?

5 A. Yes.

6 Q. And this is something Cardinal kept in the  
7 normal course of business; is that right?

8 A. Yes.

9 Q. And I'll represent to you that Cardinal's  
10 produced this to the plaintiffs in this case,  
11 amongst other ingredient limit reports, some of  
12 them going back to 2005. We should have, at least  
13 according to your testimony, ingredient limit  
14 reports going back prior to that; is that right?

15 MR. PYSER: Object to form. You can  
16 testify about what you should have.

17 A. It was implemented '94, '95.

18 BY MR. FULLER:

19 Q. So you believe ingredient limit reports  
20 started being created by Cardinal in 1994 or '95.  
21 Correct?

22 A. Correct.

23 Q. And it's your understanding that these  
24 documents were provided to the DEA; isn't that



1 true?

2 A. Correct, on a monthly basis.

3 Q. And it's also your testimony that this  
4 document, this 535-page document, if I can get my  
5 copy.

6

7 (Brief pause in proceedings.)

8

9 MR. FULLER: You stay right there.

10 MR. PYSER: Move to strike.

11

12 (Brief pause in proceedings.)

13

14 BY MR. FULLER:

15 Q. These, again, were kept in the normal  
16 course of business at Cardinal and provided to the  
17 DEA; is that correct?

18 A. Correct.

19 Q. And this is 535 pages of suspicious  
20 orders; isn't that true?

21 A. I haven't counted the pages, but...

22 Q. If you go to the last page, I think it  
23 will tell you what it was.

24 MR. PYSER: I'm going to object to

1 the claims and the length of this. The way it's  
2 presented has added significantly to the page  
3 number.

4 MR. FULLER: This is the way it was  
5 produced.

6 A. Not the format that it typically comes  
7 in.

8 BY MR. FULLER:

9 Q. Fair enough. You may see it in a  
10 different format?

11 A. Yes.

12 Q. But this document is inclusive of, at  
13 least out of the Wheeling distribution center,  
14 right you see that at the top?

15 A. Yes.

16 Q. Out of the Wheeling distribution center  
17 for July of 2007, if this report was run  
18 accurately and produced to us in the format that  
19 Cardinal kept it in, this would be how many ever  
20 pages are here, I'm saying there's 535, whatever  
21 the page count is, this is all suspicious orders,  
22 right?

23 A. Based on the criteria that the DEA agreed  
24 to.

1 Q. Based on whatever. These are all  
2 suspicious orders under your CFR reporting  
3 requirement, correct?

4 A. Correct.

5 Q. And Cardinal shipped all these orders out  
6 into our communities across the country, didn't  
7 they?

8 MR. PYSER: Object to form.

9 A. It may have been some that were caught at  
10 the distribution center and investigated.

11 BY MR. FULLER:

12 Q. Well, this report isn't generated until  
13 the end of the month, right?

14 A. But it's a two-step process.

15 Q. I understand, but just listen to my  
16 question.

17 This report isn't generated until the end  
18 of month, correct?

19 A. Correct.

20 Q. And any shipments that have gone, have  
21 long gone out because it's usually 24-hour  
22 turnaround, correct?

23 A. Correct.

24 Q. So if you look, there's, actually, I

1 think, a run date of August 5, 2007 on here,  
2 right?

3 A. Yes.

4 Q. So these orders were gone by the time this  
5 report was printed. You agree?

6 A. Correct.

7 Q. We'll come back to that document in just a  
8 minute, but you're talking about the second part  
9 of this process.

10 The second part of this process is for  
11 pickers and checkers to pick up on excessive  
12 orders in the distribution centers; is that true?

13 A. Correct.

14 Q. And pickers and checkers are the people  
15 filling the orders at the distribution facilities,  
16 right?

17 A. Correct.

18 Q. And if a picker and checker finds an order  
19 that exceeds some sort of internal limit, then  
20 they are to pull that order and report that  
21 specific order as suspicious; isn't that right?

22 A. They're required to -- not necessarily a  
23 limit. If something they see based on their  
24 experience with the customer or other customers,

1       they can pull the order and do further

2       investigation and contact the DEA.

3           Q.    And how long was this system in place,  
4       these ingredient limit reports and the picker and  
5       checkers? That system was in place from back in  
6       the '90s?

7           A.    Early '90s until --

8           Q.    About 2007, right?

9           A.    Correct. However, the order-filler  
10       process at least still existed when I retired.

11          Q.    And when you mean the order-filler  
12       process, you're talking about the pickers and  
13       checkers?

14          A.    Correct.

15                   MR. FULLER: So let's go to 4924.

16       This is going to be plaintiffs' exhibit -- I'm  
17       sorry, did I say for the record, Plaintiffs'  
18       Exhibit 31 is going to be P-3756.

19                   Plaintiffs' Exhibit 32 is going to be  
20       4924.

21

22                   (Exhibit No. 32 marked for  
23       identification.)

24

1 BY MR. FULLER:

2 Q. Now, this is a manual that Mr. Brantley  
3 was just shown the other day when he was being  
4 deposed. And let's go to page 144.

5 144 is required reports to DEA, correct?

6 A. Correct.

7 Q. And that's the system you were talking  
8 about, isn't it?

9 A. It would fall under this section.

10 Q. If you turn to page 146, you see halfway  
11 down the page, three-quarters down the page,  
12 "Suspicious orders"?

13 A. Yes.

14 Q. Now, suspicious orders, this requirement  
15 is fulfilling our Code of Federal Regulations  
16 1301.74(b), correct?

17 A. Correct.

18 Q. We also have the obligation under the US  
19 Code to have an adequate system to prevent  
20 diversion as well, right?

21 A. Correct.

22 Q. Okay. So this is filling part of our  
23 obligation.

24 And if you look there, "Establishing

1 suspicious orders criteria." Do you see that?

2 A. Yes.

3 Q. And the first sentence says "Wholesaler  
4 should establish a written criteria of what  
5 constitutes a suspicious order."

6 Did I read that correctly?

7 A. Yes.

8 Q. So where is the written criteria for  
9 suspicious orders that Cardinal had?

10 A. The criteria is part of the ingredient  
11 limit report and the document that goes with it.

12 Q. I want to know the written criteria.  
13 Where is the written criteria?

14 A. Yes, written criteria, there's a document  
15 that has the written criteria that the trade  
16 association and the DEA agreed to.

17 Q. Turn to page 271 of the same document.  
18 You can look on the big screen or you can try to  
19 find that page, either way, Mr. Reardon.

20 Is that the document you're referring to?

21 A. No.

22 Q. What other document are you referring; to?  
23 Do you know?

24 A. Again, it was a document that the trade

1 association had.

2 Q. The HDMA?

3 A. Yes, it was NWDA at the time.

4 Q. NWDA. And how do you know -- strike that.

5 All right. This is in this manual,  
6 obviously?

7 A. Yes.

8 Q. It has a suspicious order reporting system  
9 of 1998. Do you see that?

10 A. Yes.

11 Q. Have you seen this document before?

12 A. Yes.

13 Q. Is it your understanding, is that how the  
14 limit amounts were created in the audit -- or  
15 excuse me -- the ingredient limit reports?

16 MR. PYSER: Object to form.

17 A. Not the ingredient limit reports.

18 BY MR. FULLER:

19 Q. What was this used for? Do you know?

20 A. I believe this was used for List 1  
21 chemicals.

22 Q. So this applies only to List 1 chemicals  
23 is your understanding?

24 A. Yes.



1 Q. And, therefore, not controlled substances,  
2 unless they include list 1 chemicals, right?

3 A. Yes.

4 Q. All right. Great. If you turn to page  
5 266 in this document. 266, "Excess Purchase,  
6 Schedule II."

7 Do you see that?

8 A. Yes.

9 Q. This is the system we were talking about  
10 earlier with pickers and checkers, right?

11 A. Yes.

12 Q. So if we have pickers and checkers, if you  
13 look down there near the bottom, we have three  
14 categories of oxycodone.

15 Do you see that?

16 A. Yes.

17 Q. And we have limits. We have -- it applies  
18 to all strengths, correct?

19 A. Correct.

20 Q. We have hospital limits, then we have  
21 retail limits. Right?

22 A. Right.

23 Q. And the retail limits apply to both chain  
24 and nonchain pharmacies, don't they?

1 A. Yes.

2 Q. And then based on the policy and procedure  
3 we were looking at earlier -- again, going back to  
4 page -- now it's on page 147 -- this is the second  
5 part of the system you were describing earlier,  
6 correct?

7 A. Correct.

8 Q. And it says "Second, on a daily basis,  
9 cage-involved personnel should be policing and  
10 identifying individual orders that appear  
11 excessive."

12 Do you see that?

13 A. Yes.

14 Q. "Policing and identifying."

15 Do you know if these persons that were  
16 hired to police on behalf of Cardinal had any DEA  
17 background?

18 MR. PYSER: Object to form.

19 A. They went through training.

20 BY MR. FULLER:

21 Q. What kind of training did they go through?

22 A. Controlled substance training. This is  
23 actually a training manual that we're looking at.

24 Q. And this trained them how to pick and

1 check?

2 MR. PYSER: Object to form.

3 A. Oh, no, no, no, no. No. They were  
4 trained through the ops teams how to pick, pack,  
5 and ship.

6 BY MR. FULLER:

7 Q. And pick, packing, and shipping -- they  
8 have to know what they're picking before they can  
9 point out an excessive order, right, because if  
10 they don't know what substance they're picking,  
11 then it doesn't do them any good, does it?

12 MR. PYSER: Object to form.

13 A. Correct.

14 BY MR. FULLER:

15 Q. And if you had a distribution center  
16 director of operations that didn't care if his  
17 pickers and checkers knew what they were picking  
18 and checking, you would agree that that's not an  
19 appropriate system to satisfy this part of the  
20 regulatory requirement, right?

21 MR. PYSER: Object to form. Vague  
22 as to time.

23 A. Yeah, I don't -- I don't know what kind of  
24 system you're describing. I'm not familiar with

1 something like that.

2 BY MR. FULLER:

3 Q. What do you mean you're not familiar with  
4 something like that? Let me ask it differently.

5 A. I mean a system where --

6 Q. Let me ask it differently.

7 If someone testified that pickers and  
8 checkers pick by location, based on SKUs, instead  
9 of actually knowing a product, that would sort of  
10 defeat the purpose of them knowing what they're  
11 picking to be able to set out the numbers on the  
12 excessive purchase report, right?

13 MR. PYSER: Object to form. Vague  
14 as to time.

15 A. Based on my understanding when I was  
16 there, that was the process in the general  
17 warehouse.

18 BY MR. FULLER:

19 Q. Right. But my question --

20 A. But not the cage or the vault.

21 Q. Okay. You believe they only pick by  
22 location or SKU throughout the rest of the  
23 warehouse, not dealing with controls?

24 MR. PYSER: Object to form. Vague

1 as to time.

2 A. It was a different process.

3 BY MR. FULLER:

4 Q. For controls?

5 A. For controls.

6 MR. PYSER: Object to form.

7 BY MR. FULLER:

8 Q. If you learned that it was not a different  
9 process and they still only picked by location and  
10 not by particular substance, even in the vault,  
11 that would cause you concern as the one overseeing  
12 that regulatory obligation, right?

13 MR. PYSER: Object to form. Vague  
14 as to time.

15 A. It would depend if they had the  
16 appropriate quality control process in place,  
17 where every order picked in the cage or vault gets  
18 double-checked.

19 BY MR. FULLER:

20 Q. Well, let's look at what's supposed to  
21 happen.

22 It says, if the -- on the second, on a  
23 daily basis, we have the individuals policing and  
24 identifying individual orders that appear

1 excessive in relation to what other customers are  
2 buying and/or customers are -- excuse me -- and/or  
3 customer's purchase history. In these situations,  
4 the DEA should be notified.

5 So if we have an excessive order that's  
6 picked up on, they exceed one of these parameters  
7 in our sheet or they just think it's excessive, we  
8 have to notify the DEA, according to our own  
9 policies and procedures, correct?

10 MR. PYSER: Object to form.

11 A. After investigating to see if they believe  
12 the order is legitimate.

13 BY MR. FULLER:

14 Q. Where does it say "after investigating"?

15 Does it say "after investigating" on this  
16 policy? And if it does, you tell me.

17 A. (Witness reviews document.)

18 I don't see it.

19 Q. It doesn't, does it?

20 A. No.

21 Q. It says "In these situations where we have  
22 an excessive -- identified an excessive order, the  
23 DEA should be notified, if possible before the  
24 order is shipped," right?

1 MR. PYSER: Object to form.

2 A. Yes.

3 BY MR. FULLER:

4 Q. That's what Cardinal says is its  
5 obligation in trying to comply with the  
6 regulations, right?

7 A. It's what it states.

8 Q. You don't disagree with that, do you?

9 A. I can't disagree with what it states.

10 Q. It's a policy and procedure of the  
11 company, isn't it? You agree with that,  
12 correct?

13 A. Correct.

14 Q. And they should be held to comply with  
15 their own policies and procedures, shouldn't they?

16 A. Yes.

17 Q. Then it goes on to say that "And a copy of  
18 such order should be maintained in the division's"  
19 -- meaning whatever distribution center, right?

20 A. Yes.

21 Q. -- "the division's suspicious order file,  
22 along with a regulatory agency contact form, see  
23 Form No. 1, notifying of any specific instructions  
24 from the DEA."

1 Did I read that correctly?

2 A. Yes.

3 Q. So not only are we providing it to the  
4 DEA, but we should be able to go to that  
5 distribution center and find all these suspicious  
6 order forms, whatever the form is, correct?

7 MR. PYSER: Object to form.

8 A. Correct, they should be on file.

9 BY MR. FULLER:

10 Q. So, for example, and to save you -- let me  
11 ask you first, the ingredient limit reports, do  
12 you know how the ingredient limit was determined?

13 A. I don't know specifically. I do know that  
14 it was based on family of drugs.

15 Q. Right.

16 A. Assigned a certain base code for all those  
17 drugs, and they were looked at cumulatively.

18 Q. It was based on the quantity of the active  
19 ingredient, correct?

20 A. Correct.

21 Q. Not dosage units or not pills?

22 A. Correct.

23 Q. And then there's also a multiplier in  
24 there, isn't there?



1 A. There is a multiplier.

2 Q. And if you look at 3556 and you turn to  
3 page 18.

4 A. Did you say 3756?

5 Q. Yes, sir. That big monster. Yes, sir.

6 MR. PYSER: Object to form.

7 BY MR. FULLER:

8 Q. If you just want to look at the top and go  
9 to 18.

10 A. Got it.

11 Q. Do you see there -- is there an indicator  
12 of a -- so this is an ingredient limit report for  
13 non-ARCOS reports.

14 Do you see the factor used section?

15 A. Yes.

16 Q. That's the multiplier that's used,  
17 correct?

18 A. Yes.

19 Q. And for non-ARCOS reportables, it's eight.  
20 Is that what it indicates?

21 A. Yes.

22 Q. Do you know what it was for reportables?

23 A. Two or three. I can't remember  
24 specifically.

1 Q. Would it surprise you if it was four?

2 MR. PYSER: Object to form.

3 A. That doesn't sound --

4 BY MR. FULLER:

5 Q. Doesn't sound right?

6 A. It doesn't -- it's not what I recall. It  
7 was the factors given to the program by the DEA.

8 Q. Well, if we look back at that report we  
9 went to, it gives the factors of three for C-IIs  
10 and IIIs and eight for noncontrols, right?

11 A. Correct.

12 Q. So we know there's a factor. So basically  
13 what the limit is that's set is an average, and  
14 then we multiply it by whatever the factor is,  
15 correct?

16 A. That's my understanding of how it works.

17 Q. Okay. So everything that is listed in  
18 this report exceeded that limit?

19 MR. PYSER: Object to form.

20 BY MR. FULLER:

21 Q. Correct?

22 MR. PYSER: Object to form.

23 Misstates evidence.

24 A. Correct.

1 BY MR. FULLER:

2 Q. So -- and we can roll through the report,  
3 but let's see if my understanding is right.

4 So whatever pharmacies are listed and  
5 whatever drug base codes are separated into, it  
6 will give us a calculation, list all the orders,  
7 right, for the month?

8 A. Right, right.

9 Q. And at the bottom, it gives us what the  
10 customer ordered and what the limit was, correct?

11 A. Correct.

12 Q. And the only way you make it into this  
13 report is if you exceed the limit?

14 A. Correct.

15 Q. Okay. So I went through this report and  
16 pulled some examples.

17 MR. FULLER: Let's go to the -- IGL  
18 report, PowerPoint. Bring up the first one for  
19 me.

20 BY MR. FULLER:

21 Q. According to this report, we have -- I'll  
22 tell you not just July but October, December, as  
23 well as some others for the Wheeling distribution  
24 center. I want you to assume my numbers are

1 accurate.

2 So we have -- and ignore the LECO number.

3 That's just the Bates number for counsel, okay.

4 That's the Bates stamps that Mr. Papantonio was  
5 talking to you about.

6 A. Okay.

7 Q. So this is Ohio CVS store, LLC, 322. I'll  
8 represent it's a store in Cleveland, Ohio, where  
9 our track one cases are, cases that we're getting  
10 ready for trial on, okay?

11 A. Uh-huh.

12 Q. And if you look there, we have  
13 hydrocodone -- or excuse me, oxycodone  
14 hydrochloride limit. And it gives limits for the  
15 different months and you see that they're  
16 increasing through that time frame, right? And  
17 that's the active ingredient limit, right not the  
18 pill count, correct?

19 A. Correct.

20 Q. And then we see the oxycodone -- excuse  
21 me. Yes, the oxycodone totals for those  
22 respective months that we pulled out of the  
23 reports, 361, 483, 600 -- excuse me, 461, right?

24 MR. PYSER: Object to form. At

1       least, Mike, on the first one, that Bates number  
2       is not right. If you can point me in the right  
3       direction, I'd appreciate it.

4                       MR. FULLER: What do you mean be  
5       Bates number's not right?

6                       MR. PYSER: 1120515, unless I'm  
7       misreading it, which is possible, it's not the CVS  
8       store you have up there.

9                       MR. FULLER: No. Isn't it the first  
10      document on that document?

11                      MR. PYSER: It's the first page.

12                      MR. FULLER: That's it. I'm just  
13      giving you the first page of document.

14                      MR. PYSER: Not showing where that  
15      store is somewhere in this document?

16                      MR. FULLER: No, sir. No, sir.

17                      MR. PYSER: Object to that process  
18      if you're not going to provide the Bates number  
19      you're reading.

20      BY MR. FULLER:

21              Q.     So the first one exceeded it by 210  
22      percent. The second one exceeded it by 226  
23      percent. The third one exceeded it by 178  
24      percent. That's quite a bit over the limit,

1 right?

2 MR. PYSER: Object to form.

3 BY MR. FULLER:

4 Q. We can agree on that?

5 A. Significant percentage.

6 Q. Now, this isn't just a limit that is at  
7 the average. This is the average and then times  
8 by a multiplier, correct?

9 MR. PYSER: Object to form.

10 A. Correct.

11 BY MR. FULLER:

12 Q. So we're not looking at the average.  
13 We're looking at three or four, whatever the  
14 factor is, standard deviations above the average,  
15 and then they're still exceeding it by 200  
16 percent. Would that cause any concern to you as a  
17 regulator?

18 MR. PYSER: Object to form.

19 A. I can only speak to the report and the  
20 report was developed and approved by the DEA. I  
21 didn't determine the factors.

22 BY MR. FULLER:

23 Q. I'm not saying you did, okay. But the  
24 factors keep changing. As far as the

1 hydrochloride limit, those numbers are changing,  
2 right --

3 A. Yes.

4 Q. -- at least according to the PowerPoint,  
5 correct?

6 A. Yes.

7 Q. Okay. But the fact that you have a  
8 limiter that's a multiple of the average and then  
9 you have customers exceeding it by 200 percent,  
10 that doesn't cause you some concern as a  
11 regulator --

12 MR. PYSER: Object to form.

13 BY MR. FULLER:

14 Q. -- at least, hey, why are we exceeding it  
15 by 200 percent, right?

16 MR. PYSER: Object to form.

17 A. Makes sense.

18 BY MR. FULLER:

19 Q. And certainly, like you mentioned earlier,  
20 you can go do some due diligence, but you would  
21 want to see that due diligence documented to  
22 justify why we're still shipping such an excessive  
23 number to these particularly this pharmacy,  
24 correct?

1 A. Correct.

2 Q. Okay. So let's go to the next one.

3 Overholt's Champion Pharmacy in Warren. I'll tell  
4 you Warren is just outside of Cuyahoga and Summit  
5 County. It's not in Cuyahoga and Summit County,  
6 but this pharmacy -- again, we see the same  
7 limiters because we're dealing with the same  
8 months, and then we see the number of opium that  
9 they've ordered, correct?

10 A. Yes.

11 MR. PYSER: Object to form.

12 BY MR. FULLER:

13 Q. 855, 930, 769. Then let's go to the next  
14 column, which is 635 percent for the first one in  
15 July. The next one is 528 percent, and then 363  
16 percent, over the multiplied average.

17 Let's go to the final one. This one, New  
18 Choice Pharmacy, Cuyahoga Falls. This is in  
19 Summit County, okay. Again, we see the same  
20 limiter amounts because we're looking at the same  
21 months, 786, 1,089, 1,254. And the percentage  
22 overages are 576 for the first one in July, then  
23 in October we're at 635 percent, then finally 655  
24 percent in December.



1 Did you know that you were over the  
2 limit -- Cardinal was shipping over the limiters  
3 by that type of an amount when this was going on?  
4 Because this was your time frame, right, still  
5 2007, correct?

6 MR. PYSER: Object to form.

7 A. The end, yes.

8 BY MR. FULLER:

9 Q. But at the end of your time?

10 A. Yes.

11 Q. The change didn't actually occur until the  
12 very end of 2007, correct?

13 A. Correct.

14 Q. Okay. So maybe December is not, but  
15 certainly July would be.

16 Did anybody bring these type of issues to  
17 your attention?

18 MR. PYSER: Object to form.

19 A. No, but people were reviewing the reports.

20 BY MR. FULLER:

21 Q. Right. And we talked to Mr. Brantley. He  
22 was one of reviewers, right?

23 A. Correct.

24 Q. And he testified the same as you, that

1       these were all constituted of suspicious orders,  
2       but we believed our obligation was just to send in  
3       the orders, right?

4           A.     Based on the letter from the DEA.

5           Q.     From, according to you, 1990?

6           A.     In that time frame.

7           Q.     Okay. Now, maybe that satisfies our  
8       suspicious orders requirement, correct? That's  
9       the Code of Federal Regulations, 130 whatever?

10          A.     Correct.

11          Q.     But as you recognized when you looked at  
12       the Rannazzisi letter, we have the 21 USC 7823  
13       requirement as well, don't we?

14                   MR. PYSER: Object to form.

15          A.     Yes.

16       BY MR. FULLER:

17          Q.     And according to that, again,  
18       Mr. Rannazzisi told all of you back in 2006 it  
19       bears emphasis that the foregoing reporting  
20       requirement is in addition to and not in lieu of  
21       the general requirement under 21 USC 823(e), that  
22       a distributor must maintain effective controls  
23       against diversion, right?

24                   MR. PYSER: Object to form.

1 A. Right.

2 BY MR. FULLER:

3 Q. Two separate requirements. This is  
4 satisfying the reporting, at least according to  
5 what you've testified to. But sending 600 percent  
6 above what our limit is isn't meeting our  
7 requirement under effective controls against  
8 diversion, is it?

9 MR. PYSER: Object to form. Calls  
10 for legal conclusion.

11 A. Well, we --

12 BY MR. FULLER:

13 Q. Strike that the question. Let me ask you  
14 differently.

15 You've already testified earlier that if  
16 we're maintaining effective controls against  
17 diversion, we're not just going to ship suspicious  
18 orders, because suspicious orders are orders that  
19 we have a concern that may be diverted, whether  
20 it's based on size, pattern or frequency, correct?

21 MR. PYSER: Object to form.

22 A. Correct. And we did that with our  
23 employees.

24 BY MR. FULLER:

1           Q.    You -- you've explained that process.  And  
2           if we're shipping suspicious orders, we need to do  
3           some sort of due diligence to make sure that it's  
4           okay still to ship them?

5                       MR. PYSER:  Object to form.

6           BY MR. FULLER:

7           Q.    Right?

8                       MR. PYSER:  Object to form.  Calls  
9           for legal conclusion.

10          A.    That's what the review of the report did.

11          BY MR. FULLER:

12          Q.    Well, let's talk about that because we're  
13          not reviewing the report until the pills have  
14          already gone, correct?

15          A.    Correct.

16          Q.    So Mr. Papantonio has shown you earlier  
17          the amount, that the tens, if not hundreds of  
18          thousands, of pills that were being ordered by  
19          some of these pharmacies every month.

20                       But by the time we're reviewing the  
21          report, those pills are already gone and out on  
22          the street, aren't they?

23                       MR. PYSER:  Object to form.

24          A.    Correct.

1 BY MR. FULLER:

2 Q. It's not an effective system to prevent  
3 diversion if we've already sent out the pills, and  
4 then we're reviewing the report, is it?

5 MR. PYSER: Object to form.

6 A. It could be suspect; we could prevent it.

7 BY MR. FULLER:

8 Q. You would agree, right, that if we're  
9 having concerns about a pharmacy, we need to  
10 justify those concerns so it's safe to send those  
11 pills before we send them, correct?

12 MR. PYSER: Object to form. Calls  
13 for speculation.

14 A. Again, that's what we did for the process  
15 with our employees.

16 BY MR. FULLER:

17 Q. We're relying on pickers and checkers?

18 A. That was the second step of the process.

19 MR. FULLER: And so that PowerPoint  
20 is going to be Plaintiffs' Exhibit No. 33 for the  
21 record.

22

23 (Exhibit No. 33 marked for  
24 identification.)

1

2 MR. FULLER: I'll just attach that.

3

4 BY MR. FULLER:

5 Q. So what I also did, Mr. Reardon, is I took

6 the ingredient limit report and I went through it

7 based on what you've testified earlier is

8 excessive purchase Schedule II, all right.

9 And you see down there at the bottom, the

10 different types of oxys. It's either 1,200

11 tablets, 500 tablets or 600 tablets, which is the

12 limit?

13 A. Yes.

14 Q. And according to the company's own

15 policies and procedures, according to Cardinal's

16 policies and procedures, if we exceed those limits

17 on a single order, we need to try to notify the

18 DEA before it's shipped, correct?

19 MR. PYSER: Object to form.

20 A. Correct.

21 BY MR. FULLER:

22 Q. We need to report it as a suspicious

23 order, right?

24 MR. PYSER: Object to form.

1 A. If warranted.

2 BY MR. FULLER:

3 Q. Well, again, let's look at the policy and  
4 procedure. Does the policy and procedure say "if  
5 warranted"? You show me in that -- that's Page  
6 147. Let's go back to that. Does it say in there  
7 "if warranted"?

8 A. (Witness reviews document.)

9 It does not.

10 Q. Okay. So we should reporting it, correct,  
11 as a suspicious order if they exceed these  
12 limits?

13 MR. PYSER: Object to form.

14 BY MR. FULLER:

15 Q. Right?

16 A. Based on what's written.

17 Q. And we should also be sticking a copy of  
18 the suspicious order report, as well as the  
19 communication form with the DEA, in our suspicious  
20 order file that's maintained at the distribution  
21 center, correct?

22 A. That's what the policy requires.

23 Q. And that's the policy you were trying to  
24 enforce at Cardinal, right?

1 A. Correct.

2 Q. When you were over and you saw all those  
3 distribution centers that you oversaw across the  
4 entire country -- and let's be clear. This is a  
5 systemic approach, right? And by that, I mean  
6 you're applying the same systems to the entire  
7 country from Washington state all the way down to  
8 Florida, correct?

9 A. It was the same system.

10 Q. And you expected it to be implemented the  
11 same way in all your distribution centers; is that  
12 fair?

13 A. That's fair.

14 Q. And you were trying to ensure that  
15 everybody was trained on the system and that it  
16 was being operated in the same form or fashion,  
17 whether it was in Lakeland, Florida, Wheeling,  
18 West Virginia, or -- I think it's Valencia,  
19 California, right?

20 A. Correct.

21 MR. PYSER: Counsel, let's take a  
22 little break. We've been going about an hour.  
23 It's getting late in the day.

24 THE VIDEOGRAPHER: The time is 4:55



1 p.m. and we're off the record.

2

3 (Recess taken from 4:55 p.m. to 5:07 p.m.)

4

5 THE VIDEOGRAPHER: The time is 5:07

6 p.m. We're on the record.

7 BY MR. FULLER:

8 Q. All right. Mr. Reardon -- oh, yes, I

9 know. I turned those a certain way.

10 A. I got it.

11 Q. I think that's Page 33 or 34?

12 A. Yes, 33.

13 Q. And if you look halfway down that page --

14 so this is 3756.

15 If you go to Page 33. So I believe this

16 is actually a control section, is that right, for

17 ARCOS report and ingredient limit report?

18 Do you see that?

19 A. Yes.

20 Q. What's the factor when dealing with

21 controls used in the ingredient limit report from

22 2007 July?

23 A. Looks like it's for hospitals and managed

24 care and the factor is four. The report breaks it

1 out by --

2 Q. It does, but the retail section is just  
3 the same?

4 MR. PYSER: Object to form.

5 MR. FULLER: All right. So for the  
6 record, I'm going to also enter 3827 as Exhibit  
7 34. And 3828 as Exhibit 35.

8  
9 (Exhibit No. 34 marked for  
10 identification.)

11  
12 (Exhibit No. 35 marked for  
13 identification.)

14  
15 BY MR. FULLER:

16 Q. And Exhibit 34, if you look at that,  
17 Mr. Reardon, is October of 2007, the ingredient  
18 limit report; is that right?

19 A. Yes.

20 Q. And Exhibit 35 is December of 2007; is  
21 that correct?

22 A. Yes.

23 Q. And these are both, again, documents that  
24 Cardinal keeps in the normal course of business.

1 Is that your understanding?

2 A. Yes.

3 Q. And these are documents that you and your  
4 staff relied on to do your due diligence or your  
5 regulatory function at Cardinal Health?

6 A. Correct.

7 Q. Is this the type of documents or the  
8 actual documents or the form of documents that  
9 would have been reviewed by Eric Brantley and his  
10 team and also submitted to the DEA during this  
11 time frame?

12 A. Correct.

13 Q. And you can put them aside. I'm not going  
14 to do anything with them. I just wanted to get  
15 them entered for the record.

16 Now, you know Mr. Brantley -- when  
17 Cardinal was getting investigated by the DEA and  
18 getting busted the first time in late 2007, early  
19 2008, they actually hired Dendrite -- Dendrite to  
20 do some work for them related to the suspicious  
21 order monitoring systems; is that correct?

22 MR. PYSER: Object to form.

23 A. Correct.

24 MR. FULLER: Okay. So 3825 is going

1 to be plaintiff's Exhibit No. 36.

2

3 (Exhibit No. 36 marked for

4 identification.)

5

6 BY MR. FULLER:

7 Q. And if you take a look at that, this is an

8 e-mail from a Paul Hamby; is that right?

9 A. Familiar.

10 Q. You are familiar or not familiar?

11 A. The name is familiar.

12 Q. And this is December 15 of 2007. And for

13 some reason he's e-mailing you at 3:46 am.

14 Do you see that?

15 MR. PYSER: Object to form.

16 A. Yes.

17 BY MR. FULLER:

18 Q. And you are also listed on this e-mail,

19 aren't you?

20 A. Yes.

21 Q. If you look on the screen, it's

22 highlighted. It may make it a little easier.

23 A. Uh-huh.

24 Q. Now, this is Cegedim Dendrite SOM review,

1 correct?

2 A. Correct.

3 Q. If you look down in the body of the  
4 e-mail, it actually talks about -- and you're  
5 aware that Cegedim Dendrite was hired to do a  
6 review of the Cardinal system; isn't that right?

7 A. A review of --

8 Q. Suspicious order monitoring systems. So  
9 let's go through --

10 A. Right.

11 Q. -- the e-mail.

12 It says "Suspicious order monitoring  
13 review and consulting prevalidation."

14 Do you see that?

15 A. Correct.

16 Q. So this is, again, Cegedim Dendrite being  
17 hired by Cardinal to do a review of their system.  
18 Do you recall that?

19 A. I recall Dendrite being on-site, but this  
20 would have been after my time with anti-diversion.

21 Q. Well, this was still sent to you, right?

22 A. Agreed.

23 Q. And Mr. Hartman testified that while there  
24 was two subcategories, your category and

1 Mr. Mone's, that everybody sort of worked together  
2 too; is that not true?

3 MR. PYSER: Object to form.

4 A. I would have been in some of the  
5 discussions, I believe.

6 BY MR. FULLER:

7 Q. I mean, listen. You have institutional  
8 knowledge of Cardinal going back to 1988, right?

9 A. Right.

10 Q. Why wouldn't they involve you in revamping  
11 this process to fix any leaks that it may have  
12 had. I would make sense, would it not?

13 MR. PYSER: Object to form.

14 A. Yes, I would -- I remember them being  
15 there.

16 BY MR. FULLER:

17 Q. So were you involved or did they cut you  
18 out completely?

19 MR. PYSER: Object to form.

20 A. I was involved in some discussions with  
21 Dendrite.

22 BY MR. FULLER:

23 Q. Okay. So it says there, at the first  
24 bullet point, "On-site review of Cardinal's

1 suspicious order monitoring program system,  
2 including verification of the system's operational  
3 effectiveness, system integrity and regulatory  
4 stability."

5 Do you see that?

6 A. Yes.

7 Q. And then "Review of Cardinal's suspicious  
8 order monitoring SOPs that describe its SOM," and  
9 then "Recommendations and findings related to  
10 Cardinal SOM systems."

11 Do you see that?

12 A. Yes.

13 Q. So did you get a copy of the report that  
14 Cegedim Dendrite did related to this evaluation?

15 A. I don't recall getting it.

16 Q. Do you know who may have gotten it?

17 MR. PYSER: Object to form.

18 A. May have gotten it?

19 BY MR. FULLER:

20 Q. Who should have gotten it, Mr. Mone?

21 MR. PYSER: Object to form.

22 Speculation.

23 A. Possibly, it would have been Mone.

24 BY MR. FULLER:

1 Q. He took over that part of your role. Is  
2 that what you had testified to earlier?

3 A. Yes.

4 Q. And during the time that you were  
5 overseeing the whole regulatory division -- I  
6 think you testified repeatedly to Mr. Papantonio  
7 about the number of employees -- you tried to push  
8 for more employees, didn't you?

9 You tried to push for more financial  
10 support, more budgetary support, because you felt  
11 what you were given was not enough to get the job  
12 done right, didn't you?

13 A. It's needing additional resources based on  
14 the direction we wanted to go in, and I requested  
15 additional head count.

16 Q. Well, the direction we wanted to go in is  
17 to do a good job monitoring for suspicious orders  
18 and preventing any potential diversion. That's  
19 the direction you wanted to go in, right?

20 A. Correct.

21 Q. When you asked for additional resources to  
22 go that direction, you weren't given everything  
23 you were asked for, were you?

24 MR. PYSER: Object to form.



1           A.    I believe I requested for two head count  
2           and ultimately got two head count.

3           BY MR. FULLER:

4           Q.    So you took your three people to five  
5           people, right?

6           A.    Right.

7           Q.    So you're monitoring the entire country  
8           for suspicious orders with five people --

9           A.    No.

10          Q.    -- an upgrade from three people,  
11          correct?

12                       MR. PYSER: Object to form.

13          A.    Additionally, there were people in the  
14          distribution centers that had -- operations had  
15          responsibility.

16          BY MR. FULLER:

17          Q.    Right. There were some people in the  
18          distribution center --

19                       MR. PYSER: Hold on. Let him  
20          finish.

21          BY MR. FULLER:

22          Q.    Go ahead, if you're not done.

23          A.    That had responsibility for reviewing  
24          ingredient limit reports and then working in the

1 cage and the vault.

2 Q. And the jury's already heard about some of  
3 those. They weren't full-time -- they didn't get  
4 full-time people there until Mr. Hartman came  
5 along, correct?

6 MR. PYSER: Object to form.

7 BY MR. FULLER:

8 Q. And when Mr. Hartman came along, he  
9 actually revamped the whole system and got -- and  
10 more than doubled the employees you had, didn't  
11 he?

12 MR. PYSER: Object to form.

13 A. What occurred was, people in the  
14 distribution centers that were tasked with  
15 compliance responsibilities moved over and changed  
16 in the reporting structure, reporting up through  
17 my organization.

18 BY MR. FULLER:

19 Q. And he got full-time personnel at each of  
20 the distribution centers, something you didn't  
21 have the benefit of, right?

22 A. I did not.

23 Q. You -- again, you got the increase from,  
24 you testified, three to five, but let's be honest.

1 Mr. Baranski -- do you know who Mr. Baranski is?

2 Have you seen any of his testimony in this case?

3 A. I have not. I believe he's the Director  
4 of Operations in Wheeling.

5 Q. Absolutely. He testified that the  
6 Wheeling distribution center -- they get over 1.7  
7 million orders a month. This is just one month of  
8 suspicious orders out of his building.

9 How do you properly investigate this many  
10 suspicious orders with three people? You can't do  
11 it, can you?

12 MR. PYSER: Object to form.

13 A. Well, based on the program we had in place  
14 and at the time what DEA had required us to do,  
15 submit that report, and we reviewed that report.

16 BY MR. FULLER:

17 Q. That covers your regulatory obligation.  
18 That doesn't cover your U.S. Code obligation, does  
19 it?

20 MR. PYSER: Object.

21 BY MR. FULLER:

22 Q. We have to have effective processes in  
23 place to prevent diversion. You've already  
24 testified, sir, that suspicious orders shouldn't

1       just be shipped. They should be looked at. And  
2       you can't look at this many suspicious orders with  
3       three people when you have 27 other distribution  
4       centers, can you?

5           A.    If I recall, the Rannazzisi letters, at  
6       least one of them, states that suspicious orders,  
7       if you believe they're going to be diverted,  
8       should be reported.

9           Q.    So --

10                   MR. PYSER: Hold on. Are you done  
11       with your answer?

12                   THE WITNESS: Yes.

13       BY MR. FULLER:

14           Q.    If you recall the Rannazzisi letters,  
15       which letter are you referring to?

16           A.    I don't -- I don't know which date, but  
17       that -- that's the language in one of them.

18           Q.    Well, we looked at the language, right?  
19       You said you had two requirements, didn't you?  
20       You have a reporting requirement, correct?

21           A.    Right.

22                   MR. PYSER: Object to form.

23       BY MR. FULLER:

24           Q.    And then you have a requirement to

1 maintain effective controls against diversion.

2           You've already testified, sir, that

3 shipping suspicious orders isn't necessarily

4 maintaining effective controls unless you're going

5 to look into them. And you and I both know,

6 sitting here today, that your people didn't look

7 into all of the suspicious orders in this

8 document, did they?

9           MR. PYSER: Object to form.

10 Misstates.

11 BY MR. FULLER:

12         Q. They didn't go out and investigate all

13 these --

14           MR. PYSER: Object to form.

15 Misstates evidence.

16 BY MR. FULLER:

17         Q. -- did they?

18         A. I don't believe they went out on every

19 one.

20         Q. You had three people sitting in corporate

21 headquarters looking at this document. And that's

22 just from one distribution center, right?

23         A. Correct.

24         Q. This was done for all 20-some-odd

1 distribution centers, so this times 27. Nobody  
2 can investigate all those with three people. We  
3 can agree on that, can't we --

4 MR. PYSER: Object to form.

5 BY MR. FULLER:

6 Q. -- at least not investigate them the way  
7 they should be investigated, correct?

8 A. I guess.

9 Q. Don't guess. You used to be a law  
10 enforcement officer. I used to be a prosecute  
11 other.

12 You and I both know there's no way to do a  
13 proper investigation of all these with three  
14 people, correct?

15 MR. PYSER: Object to form.

16 A. I agree.

17 BY MR. FULLER:

18 Q. At least not to the standard you want to  
19 do it, correct?

20 MR. PYSER: Object to form.

21 A. Correct.

22 BY MR. FULLER:

23 Q. Let's go to 3892. Strike that. Let's not  
24 go to 3892.

1           Let's go back to 4230, which was  
2       previously Exhibit 6. This is the memorandum  
3       agreement that you and Mr. Papantonio looked at  
4       earlier, right?

5           A. I have to find it. What was the number  
6       again?

7           Q. 4230. That's it.

8           A. Got it.

9           Q. If you turn to Page 4 of that document.  
10       If you -- Section F, Page 4 of that document.

11           You're aware of -- part of what Cardinal  
12       agreed to do was do an 18-month lookback on  
13       suspicious orders, didn't they? You see it in  
14       section F?

15           A. (Witness reviews document.)

16           Yes.

17           Q. What were the results of that 18-month  
18       lookback, do you know?

19           A. I don't recall.

20           Q. Were those not shared with you?

21           A. I don't believe so.

22           Q. Did you see the report that was done  
23       related to those?

24           MR. PYSER: Object to form.

1           A.    I don't believe so.

2       BY MR. FULLER:

3           Q.    So the record's clear, it says "Cardinal  
4       agrees, within 180 days of effective date of this  
5       agreement, it will review the distributions of  
6       oxycodone, hydrocodone, alprazolam, and  
7       phentermine to retail pharmacy customers as well  
8       as physicians for the period of 18 months  
9       immediately preceding the execution of this  
10      agreement and identify customers purchases of the  
11      same drugs that exceed the thresholds established  
12      in its compliance program on the date of such  
13      review."

14               And then it says "Cardinal shall conduct  
15      an investigation for each customer where such  
16      review reveals purchasing patterns substantially  
17      deviating from the normal purchasing patterns and  
18      take appropriate action."

19               Do you see that?

20           A.    Yes.

21           Q.    That basically means go back and look and  
22      see if you missed any suspicious orders,  
23      correct?

24                       MR. PYSER:  Object to form.



1 A. Correct.

2 BY MR. FULLER:

3 Q. And you don't know, sitting here today,  
4 what the result of that was that Cardinal  
5 conducted or should have conducted?

6 MR. PYSER: Object to form.

7 A. It would have been conducted by the  
8 anti-diversion team.

9 BY MR. FULLER:

10 Q. Let's do the pill comparison, please. So  
11 during the time frame that you were there, part of  
12 your job was to look for -- we talked about  
13 suspicious orders and to look for patterns,  
14 right?

15 A. Correct.

16 Q. Did you -- well, you testified earlier you  
17 didn't look at any pill counts, correct?

18 MR. PYSER: Object to form.

19 A. I did not personally.

20 BY MR. FULLER:

21 Q. Well, let's start. So Ohio is -- I mean,  
22 you know where Ohio is. You were based in  
23 Columbus or the Columbus area, correct?

24 A. Correct.

1           Q.    Illinois is two states over.  Are you  
2   aware that the states are similarly situated?  I  
3   mean, Illinois has about a million more people  
4   than Ohio.  Are you aware of that?

5           A.    No.

6           Q.    Both considered midwest states.  Can we  
7   agree on that?

8           A.    Yes.

9           Q.    And it's a neighboring state.  It's got  
10   some unimportant state in between the two of them,  
11   right?

12          A.    Yes.

13          Q.    Kidding.  They're geographically similar.  
14   They're similar in size and, based on my  
15   representations, about the same population, right?

16          A.    Yes.

17          Q.    And if we're looking at pills distribution  
18   across the entire country, we can say safely  
19   there's probably not -- or shouldn't be a  
20   significant difference between Ohio and Illinois,  
21   fair enough?

22                       MR. PYSER:  Object to form.  Calls  
23   for speculation testimony.

24          A.    I wouldn't know enough about it to --

1 BY MR. FULLER:

2 Q. If we saw a significant difference, it  
3 might be something we would want to look into,  
4 correct?

5 MR. PYSER: Object to form.

6 A. May raise a question to say why.

7 BY MR. FULLER:

8 Q. Let me ask. You're a cop, worked the  
9 street, right, here in Boston, correct?

10 A. Outside of Boston.

11 Q. Outside of Boston. If you were driving  
12 doing your patrol and you see something suspicious  
13 going on, you're going to take initiative and  
14 investigate it, aren't you?

15 MR. PYSER: Object to form.

16 A. Yes.

17 BY MR. FULLER:

18 Q. May not be that there is anything with it.  
19 There may not be any laws being broken, but until  
20 you do your investigation you're not going to know  
21 that, are you?

22 A. Correct.

23 Q. I mean, I don't want to insult you, but  
24 let's go back. I prosecuted a ton of DUIs. You

1 may see somebody weaving on the road. Well,  
2 doesn't mean they're drunk, does it?

3 A. Not necessarily.

4 Q. But it's an indicator, hey, there may be  
5 something going on. It could be a health concern.  
6 It could be that they're texting and driving at  
7 least now probably, not when you were a cop not,  
8 when I was a prosecutor. But that's the type of  
9 thing you would want to investigate to see what  
10 the issue is, correct?

11 A. Correct.

12 Q. So let's look at the comparison between  
13 Illinois and Ohio. Let's go for 2006. 4.9  
14 million -- and this is just oxycodone, okay? You  
15 understand?

16 A. Yes.

17 Q. Okay. 4.9 million dosage units, pills,  
18 into Illinois. 67 million pills into Ohio in the  
19 same year. This is just Cardinal alone. That  
20 causes you some concern, doesn't it,  
21 Mr. Reardon?

22 MR. PYSER: Object to form.

23 A. It would --

24 BY MR. FULLER

1 Q. Now --

2 A. -- warrant a further look.

3 Q. Exactly. We're not saying that there's  
4 anything nefarious going on yet, but we're not  
5 going to know unless we investigate, are we?

6 A. Correct.

7 Q. And we both know Cardinal had this  
8 information. This is your sales data. And I say  
9 yours. I mean the royal you and Cardinal,  
10 correct?

11 A. Correct.

12 Q. Somebody could have had this information  
13 pulled, right?

14 A. (Witness nodding.)

15 Q. In 2006, you've already told us -- Mr.  
16 Hartman has already testified, as well as others,  
17 that we are in the middle of an opioid crisis, we  
18 should be doing comparisons like this. Would you  
19 agree with that?

20 MR. PYSER: Object to form.

21 A. It would make sense.

22 BY MR. FULLER:

23 Q. So let's go to 2007. 5.9 million in  
24 Illinois. 72 million in Ohio. Again, huge

1       disparity.

2                               MR. FULLER:   Let's keep going, Gina.

3       BY MR. FULLER:

4               Q.     2008, 2009, 2010, 2011, 2012.   Let's stop  
5       there for a second.

6                       2012, 10 million pills into Illinois, 100  
7       million pills into the state of Ohio with a  
8       million less people.   This pattern causes you  
9       concern, sitting here today, doesn't it,  
10      Mr. Reardon?

11                               MR. PYSER:   Object to form.

12               A.     It raises the question of why.

13       BY MR. FULLER:

14               Q.     Exactly.   Let's keep going, 13, 14.

15      Mr. Brantley raised a good question, well, did we  
16      have more customers in Ohio than we did Illinois?

17                       Let's go.   Cardinal customers in Illinois,  
18      1,716.   Cardinal customers in Ohio, 1,744.   We can  
19      agree that statistically that's close enough,  
20      right?

21                               MR. PYSER:   Object to form.

22       BY MR. FULLER:

23               Q.     That's not going to provide the  
24      explanation for the significant difference between

1 the two states, is it?

2 A. I think you have to dig deeper --

3 Q. So that's my question.

4 MR. PYSER: Were you done with your  
5 answer?

6 BY MR. FULLER:

7 Q. Go ahead.

8 A. -- and determine types of customers.

9 Q. So you tell me who at Cardinal -- because  
10 they had this information, who was it that dug  
11 deeper?

12 MR. PYSER: Object to form.

13 A. I don't -- I don't have that knowledge.

14 BY MR. FULLER:

15 Q. I mean, you would agree with me, would you  
16 not, that it shouldn't take a lawsuit against  
17 Cardinal before it would look into something like  
18 this going on in its company, correct?

19 MR. PYSER: Object to form.

20 A. Correct.

21 BY MR. FULLER:

22 Q. So there we have it, 798 million dosage  
23 units for that time frame into a population of  
24 11.7 million for Ohio. Only 76 million with a

1 million more people, 12.8, correct?

2 A. Correct.

3 Q. I mean, sitting here today, you didn't

4 know this before today, right?

5 A. No.

6 Q. No one shared this with you? No one

7 pulled the numbers for you even back when you were

8 there at Cardinal, correct?

9 A. Correct.

10 Q. I mean, do you find that shocking, that

11 disparity? I mean, it's ten times the amount of

12 pills.

13 A. I -- I still think you need to dig deeper,

14 customers.

15 Q. Now, we also know -- and the jury will

16 have heard by now -- that back in 2003 the GOA,

17 Government Office of Accounting, did a report,

18 OxyContin and its abuse and -- abuse and addiction

19 or something like that and they found that opioid

20 epidemic was hitting certain states more than

21 others. That would also be something that

22 Cardinal would want to be aware of. Can we agree

23 with that?

24 A. I think so.



1 Q. I mean, let's go back to our -- again, our  
2 investigative days. You want to gather all the  
3 information you can, correct --

4 MR. PYSER: Object to form.

5 A. Correct.

6 BY MR. FULLER:

7 Q. -- particularly when you're one that has  
8 been entitled, been privileged with the ability to  
9 operate in this closed system. Cardinal -- no one  
10 forced this licensing, this registrant status, on  
11 Cardinal, did they?

12 A. No.

13 Q. Cardinal went out and wanted to get into  
14 this business so they could distribute and make  
15 money, correct?

16 A. Correct.

17 Q. But they took on an obligation when they  
18 did that. We've looked at that. Based on  
19 Rannazzisi's letters, they took on obligations to  
20 ensure to do the best job they could to keep our  
21 community safe, right?

22 A. Correct.

23 Q. And doing an analysis of this kind of  
24 data, this disparity between Illinois and Ohio, is

1 part of what follows within that obligation,  
2 doesn't it?

3 MR. PYSER: Object to form.

4 A. It would warrant a look to see why the  
5 disparity -- the digger.

6 BY MR. FULLER:

7 Q. Like you said --

8 A. Deeper down.

9 Q. -- deeper dig down. Sitting here today,  
10 you don't know of anybody at Cardinal that  
11 bothered to do that you, do?

12 MR. PYSER: Object to form.

13 A. I have no knowledge.

14 MR. FULLER: Let's go on, Gina, next  
15 slide. Yes, West Virginia. Oh, this is the  
16 total. Yeah, let's go to the total.

17 BY MR. FULLER:

18 Q. Another explanation Mr. Brantley mentioned  
19 was maybe other wholesaler distributors were more  
20 primary in Illinois versus Ohio. Fair part of our  
21 investigation, you would agree, correct?

22 A. It's a possibility.

23 Q. So this is all distributors. The graph  
24 looks the same, doesn't it?

1 A. (Witness nodding.)

2 Q. From --

3 A. Very similar.

4 Q. -- from 2006 to 2014, over that entire  
5 year, all distributors into these respective  
6 states only put in 351 million pills into  
7 Illinois, and 2.1 billion pills into Ohio, six  
8 times?

9 DEFENSE COUNSEL: Objection to  
10 form.

11 BY MR. FULLER:

12 Q. Six times the difference, right?

13 DEFENSE COUNSEL: Objection to form.

14 A. Right.

15 BY MR. FULLER:

16 Q. I mean, how do people take that many pills  
17 in the state of Ohio?

18 MR. PYSER: Object to form.

19 BY MR. FULLER:

20 Q. It doesn't seem right, does it?

21 A. I don't -- without having further  
22 information, I can't speculate.

23 Q. It's the investigative process that should  
24 have been done years ago, right?

1 MR. PYSER: Object to form.

2 BY MR. FULLER:

3 Q. Let me ask you. Back on the street doing  
4 our investigations, are we going to wait to get to  
5 that extreme before we start our investigation?  
6 Or as soon as we see this disparity, we're going  
7 to start investigation right away?

8 A. I would think you would at least want to  
9 look in and do a deeper dive and understand why.

10 MR. PYSER: Object to form.

11 BY MR. FULLER:

12 Q. Right away --

13 MR. PYSER: Object. One second,  
14 Counsel. Object. Calls for -- calls for  
15 speculation. I apologize I stepped on your  
16 question there.

17 BY MR. FULLER:

18 Q. Right away, correct? We're not going to  
19 wait four, five, six years down the road, are we,  
20 not if we're doing what the law requires us to do,  
21 correct, Mr. Reardon?

22 A. It would make sense.

23 MR. PYSER: Object to form.

24 BY MR. FULLER:

1 Q. Let's go to West Virginia. Now, West  
2 Virginia is another state over from Ohio, right,  
3 going east? You're aware of West Virginia is --

4 A. Correct.

5 Q. -- a much smaller state though, right?

6 A. I...

7 Q. I'll tell you. You'll see. 1.8 million  
8 people compared to the 12.8 of Illinois. You  
9 would expect to see more pills going into Illinois  
10 than West Virginia, all things being equal,  
11 correct?

12 A. Possibly.

13 Q. I mean, seven times smaller?

14 A. Again, depends.

15 Q. It depends on whether we're dumping pills  
16 into a state or we're complying with our  
17 regulatory requirements, right?

18 MR. PYSER: Object to form.

19 A. It depends on the number of pharmacies,  
20 customer type.

21 BY MR. FULLER:

22 Q. Let's look at it. 2006, 4.9 million pills  
23 into Illinois again. Same number, 10.5 million  
24 into West Virginia.

1                   2007, let's keep going, 2008, 2009, 2010,  
2       '11, '12, all the way to '14. Let's do the total.  
3                   Population of 12.8 in Illinois, only 1.8  
4       in West Virginia, 7 times the difference and yet  
5       you've got almost double the pills. Someone at  
6       Cardinal should have picked up on this as well,  
7       correct?

8                   MR. PYSER: Object to form.

9       BY MR. FULLER:

10           Q.     Right?

11           A.     If they had the info.

12           Q.     This is Cardinal's numbers. Cardinal had  
13       the info, right? I mean, come on. Cardinal's  
14       making these sales. You know that Cardinal tracks  
15       where its making sales. You know they do track  
16       where they're making sales, don't you?

17           A.     They would.

18           Q.     They do all sorts of analysis on sales and  
19       distribution of pills, don't they?

20           MR. PYSER: Object to form.

21           A.     I don't know the detail on what they do.

22       BY MR. FULLER:

23           Q.     You know they do a lot of it though,  
24       correct?

1 MR. PYSER: Object to form.

2 A. They would do sales analysis.

3 BY MR. FULLER:

4 Q. And then let's look at the number of  
5 customers. There are less than half as many  
6 customers in West Virginia that Cardinal is  
7 serving, 765 pharmacies compared to 1,700 in  
8 Illinois, right?

9 A. It's what it says.

10 Q. So that means they must have been dumping  
11 nearly double the amount of pills through each  
12 pharmacy in West Virginia if the numbers are going  
13 to make sense, correct?

14 MR. PYSER: Object to form.

15 A. I don't have enough information to --

16 BY MR. FULLER:

17 Q. Well --

18 A. I can see totals.

19 Q. Right. And you can see that there's more  
20 than double the amount of pills having to run  
21 through those 765 pharmacies to make up that pill  
22 count, correct?

23 A. That's what the numbers say.

24 Q. And based on your investigative

1 background, that's going to send up red flags  
2 that -- hey, what's going on in West Virginia, we  
3 need to take a look at this.

4 That's the whole idea behind the  
5 suspicious order system, isn't it?

6 MR. PYSER: Object to form.

7 A. To monitor customer purchases.

8 BY MR. FULLER:

9 Q. Monitor the purchases, monitor how many  
10 pills are going into the different communities  
11 around the country, right?

12 A. Well, that would tie to -- the customer  
13 monitoring would tell you.

14 Q. Right. Because all these pharmacies are  
15 in, you know, Cleveland, Ohio; Summit County,  
16 Ohio; West Virginia; Mount Gay; Kermit, West  
17 Virginia. I'm sure you've heard some of the --  
18 did you watch the congressional testimony of that  
19 Mr. Barrett gave?

20 MR. PYSER: Object to form.

21 Objection compound.

22 A. I did not.

23 BY MR. FULLER:

24 Q. Why not?



1 MR. PYSER: Object to form.

2 A. Don't know why.

3 BY MR. FULLER:

4 Q. I mean, he was your boss at one point in  
5 time -- well, still is as a consultant, right --  
6 well, no, he's not. He's not there anymore.

7 A. He retired.

8 Q. Can we agree that between what  
9 Mr. Papantonio and myself have shown you today,  
10 there was a lot going on that you didn't know  
11 about?

12 MR. PYSER: Object to form.

13 BY MR. FULLER:

14 Q. That there is additional diligence that  
15 you would have done had somebody brought some of  
16 these facts to your attention, correct?

17 MR. PYSER: Object to form. Calls  
18 for speculation?

19 A. I would look into it.

20 BY MR. FULLER:

21 Q. You would have done an investigation,  
22 right? That's what looking into it is, isn't  
23 it?

24 MR. PYSER: Object to form.

1 A. Correct.

2 BY MR. FULLER:

3 Q. You want to look and see why is this  
4 happening. And here's the shocking thing. The  
5 people within Cardinal -- there are people within  
6 Cardinal that had this information. You can't  
7 deny that, can you?

8 MR. PYSER: Object to form.

9 A. I can't deny it. I just don't know for  
10 sure, but --

11 BY MR. FULLER:

12 Q. It's their sales data?

13 A. I would assume that's sales data, yeah.

14 Q. You also know they knew who their  
15 customers were?

16 MR. PYSER: Object to form.

17 BY MR. FULLER:

18 Q. Right? They have to, correct?

19 A. Correct.

20 Q. And no one ever brought this to your  
21 attention?

22 MR. PYSER: Object to form.

23 A. Not that, no.

24 BY MR. FULLER:

1 Q. Did they ever bring any other problems  
2 with diversion to your attention?

3 A. Yeah, there were times we would get calls  
4 from distribution centers or something Eric would  
5 raise.

6 MR. FULLER: Did we do that list?  
7 Let's do that list.

8 BY MR. FULLER:

9 Q. So do Choice Pharmacy. We looked at that  
10 a little while. Do you remember that? It's one  
11 of the pharmacies in the Cuyahoga, Summit County  
12 area?

13 A. Right.

14 MR. PYSER: Is this an exhibit or  
15 just a demonstrative --

16 MR. FULLER: This is demonstrative.

17 BY MR. FULLER:

18 Q. And what I did is I pulled out of the  
19 ingredient limit report items that exceeded your  
20 limiter numbers. And if you see the amount  
21 ordered versus the amount in excess, so for  
22 example, on July 2 of 2007, for -- New Choice they  
23 ordered oxycodone, APAP, 6,000 pills, right?

24 Well, we know the limit is 1,200 from what

1 we saw earlier, correct?

2 MR. PYSER: Object to form.

3 A. Are you talking about the dosage limit  
4 charts?

5 BY MR. FULLER:

6 Q. Yes, sir.

7 A. So that's -- that's those dosage limit  
8 charts are just to assist in the cage vault  
9 process and the order filling process --

10 Q. Right.

11 A. -- to cause an order filler to look  
12 further at the order.

13 Q. Well, order filler -- you're talking about  
14 pickers, right?

15 A. Pickers.

16 Q. How does is picker -- a picker is not  
17 going to do due diligence on the facility or the  
18 pharmacy, correct?

19 MR. PYSER: Object to form.

20 A. No, but they have the ability based on  
21 experience with the customer and -- ability to  
22 look at customer purchase patterns through their  
23 access to the ordering system.

24 BY MR. FULLER:

1 Q. But these are limited numbers that,  
2 according to the policy and procedure, were there  
3 to help the pickers for excessive orders, correct?  
4 I mean, that's the title of the document, is  
5 Excessive Orders for Schedule II, isn't it?

6 A. To help them flag orders that they may  
7 possibly have to look at.

8 Q. And any that were excessive -- and again,  
9 the name of the document is Excessive Orders for  
10 Schedule II, right?

11 MR. PYSER: Object to form.

12 A. Right.

13 BY MR. FULLER:

14 Q. And so if they set off a trigger, we need  
15 to see some sort of documentation related to that,  
16 correct?

17 MR. PYSER: Object to form.

18 A. Correct.

19 BY MR. FULLER:

20 Q. Okay. So we should see, in the due  
21 diligence file for New Choice Pharmacy, when it  
22 orders 6,000 pills and the limiter is at 1,200,  
23 it's an extra 4,800 pills, if I'm doing my math  
24 correctly, right?

1 A. Right.

2 Q. And we should see something in the due  
3 diligence file related to that order either  
4 justifying it or we should see the report to the  
5 DEA, correct?

6 MR. PYSER: Object to form. Calls  
7 for speculation. Facts not in evidence.

8 A. I would expect that that would be the  
9 practice.

10 BY MR. FULLER:

11 Q. And on July 3, when they ordered the same  
12 thing, another 4,000 pills, we should see the same  
13 thing in the due diligence file or a suspicious  
14 order report in the distribution center suspicious  
15 order report folder, correct?

16 MR. PYSER: Object to form.

17 A. I would expect that that would be the  
18 practice.

19 BY MR. FULLER:

20 Q. And if they're not, they're not following  
21 their own policies and procedures relating to  
22 identifying suspicious orders, correct?

23 MR. PYSER: Object to form.  
24 Misstates evidence.

1 A. Possibly.

2 BY MR. FULLER:

3 Q. Well, that's what the policy required,  
4 isn't it?

5 MR. PYSER: Object to form.

6 A. The dosage limit chart is just, hey, if  
7 you see something like this. But we also tell  
8 them, if you understand the customer and you know  
9 the customer and it's not out of the ordinary  
10 ordering pattern, then there's no need.

11 BY MR. FULLER:

12 Q. But there should be some documentation to  
13 justify that in the due diligence file, correct?

14 MR. PYSER: Object to form.

15 A. If they stop the order.

16 BY MR. FULLER:

17 Q. And let's talk about that. So prior to  
18 2012, it was Cardinal's practice to identify  
19 suspicious customers, not suspicious orders,  
20 correct?

21 MR. PYSER: Object to form.

22 Misstates evidence.

23 A. Prior to 2012, I -- I can't speak to 2007  
24 to 2012.

1 BY MR. FULLER:

2 Q. Okay. Well, let's limit my question to up  
3 to the end of 2007.

4 It was Cardinal's practice to report  
5 suspicious customers, not suspicious orders,  
6 right?

7 MR. PYSER: Object to form.  
8 Misstates evidence.

9 A. Well, the ingredient limit report showed  
10 both, the customer and the orders.

11 BY MR. FULLER:

12 Q. Fair enough, fair enough.

13 And those are all the orders -- the  
14 suspicious orders that Cardinal shipped over the  
15 years, right?

16 MR. PYSER: Object to form.

17 A. They did ship.

18 BY MR. FULLER:

19 Q. And that was the same practice. Whether  
20 it was out at the Wheeling center, the Lakeland  
21 center, the Valencia center, wherever else they  
22 had distribution centers, that was the same  
23 practice everywhere, right, correct?

24 A. Correct.



1 MR. FULLER: Let's take a quick  
2 break. I think I'm done.

3 THE VIDEOGRAPHER: The time is 5:45  
4 and we're off the record.

5  
6 (Recess taken from 5:45 p.m. to 6:03 p.m.)

7  
8 THE VIDEOGRAPHER: The time is 6:03  
9 p.m. and we're on the record.

10 MR. PYSER: Good afternoon,  
11 Mr. Reardon. My name's Steven Pyser. I represent  
12 Cardinal. I have a few questions for you here  
13 today.

14 MR. FULLER: Not to interrupt, but  
15 plaintiff's last DSM-5 is going to be entered as  
16 Exhibit No. 37.

17  
18 (Exhibit No. 37 marked for  
19 identification.)

20  
21 MR. PYSER: Thank you. I'm sorry, I  
22 forgot you had asked.

23  
24 CROSS-EXAMINATION

1 BY MR. PYSER:

2 Q. Mr. Reardon, can you please introduce  
3 yourself to the jury?

4 A. Steve Reardon.

5 Q. Where are you from originally,  
6 Mr. Reardon?

7 A. Originally from Massachusetts.

8 Q. Come a time when you started work at  
9 Cardinal Health?

10 A. Yes.

11 Q. When was that?

12 A. June of 1988.

13 Q. How long were you with Cardinal Health?

14 A. Ant about 28 years.

15 Q. So 1988 through roughly 2016?

16 A. March of 2016.

17 Q. Are you retired now?

18 A. I am retired.

19 Q. Prior to joining Cardinal Health, what did  
20 you do?

21 A. I was in law enforcement.

22 Q. From your perspective, having been  
23 employed at Cardinal Health for roughly 28 years,  
24 can you describe what Cardinal Health's role is in

1 the healthcare distribution system?

2 A. Yes. Cardinal purchases prescription drug  
3 products from duly-licensed manufacturers and  
4 distributes those prescription drug products to  
5 duly-licensed hospitals, hospital pharmacies,  
6 independent retail pharmacies, chain pharmacies,  
7 long-term care facilities, managed care, VA at one  
8 time.

9 Q. And do the products that Cardinal Health  
10 ships, do they run the gamut across all types of  
11 healthcare?

12 MR. PAPANTONIO: Objection.  
13 Leading.

14 BY MR. PYSER:

15 Q. What types of products does Cardinal  
16 Health ship?

17 A. Prescription drug products,  
18 over-the-counter products, hospital supply  
19 products, OTC products.

20 Q. Does Cardinal Health ever interact  
21 directly with patients?

22 A. No.

23 Q. How about doctors?

24 A. No.

1 Q. What was your first job at Cardinal?

2 A. First job at Cardinal when I got hired in

3 June of '88 was as a security and compliance

4 manager at the Peabody distribution center.

5 Q. And did there come a point in time when

6 you left Peabody and had a job that focused on

7 anti-diversion across a larger part of Cardinal

8 Health?

9 A. Yes.

10 Q. When was that?

11 A. I moved to corporate in Dublin in December

12 of '94.

13 Q. And from that time until roughly 2007, was

14 your work in anti-diversion?

15 A. Anti-diversion in addition to overall

16 regulatory compliance.

17 Q. In addition to the people who were your

18 direct reports, working for you when you were

19 working in anti-diversion, were there other

20 Cardinal Health employees who also worked

21 anti-diversion on issues?

22 A. Yes. People in the distribution centers

23 had responsibilities around anti-diversion.

24 Q. I want to pause for a minute. I'm going

1 to ask you some questions. You were asked a lot  
2 of questions about an exhibit, Exhibit 4. I'll  
3 just put it on the Elmo, if I could.

4 And Exhibit 4, do you recall answering  
5 questions about this document?

6 A. Yes.

7 Q. The document was from roughly 2012, right?

8 A. Yes.

9 Q. And the events you were asked about were  
10 in the time period 2008 through 2012, right?

11 A. Yes.

12 Q. Were any of the events you were asked  
13 about things that you were personally involved  
14 in?

15 A. No.

16 Q. So anything were you commenting on related  
17 to Exhibit 4, were those based on what were you  
18 reading from the document?

19 A. Yes.

20 Q. You were asked a lot of questions earlier  
21 today about issues related to anti-diversion after  
22 2007. Had you transitioned to a role within the  
23 company outside of the anti-diversion work after  
24 2007?

1 A. Yes.

2 Q. Were there other people charged by  
3 Cardinal Health with ensuring Cardinal Health met  
4 its regulatory obligations with regard to  
5 anti-diversion after 2007?

6 A. Yes.

7 Q. You were also shown a document earlier  
8 today, Exhibit 3. I'm actually going to use the  
9 Elmo again. Thank you.

10 Do you remember Exhibit 3?

11 A. Yes.

12 Q. There was someone from McKesson in Exhibit  
13 3 who claimed Cardinal was not reporting  
14 suspicious orders to the DEA. Do you recall that?

15 A. I recall the document.

16 Q. You recall the document?

17 A. Yes.

18 Q. To your knowledge, is Mr. Mahoney the  
19 person in that document, claimed that Cardinal was  
20 not reporting suspicious orders. Is that claim  
21 correct?

22 MR. PAPANTONIO: Object to form.

23 A. No.

24 BY MR. PYSER:

1 Q. You had a chance to review this document  
2 earlier, correct?

3 A. Correct.

4 Q. Are the statements in this document about  
5 Cardinal Health's reporting suspicious orders  
6 true?

7 A. No.

8 Q. To the best of your knowledge, at all  
9 times did Cardinal Health report suspicious orders  
10 it identified to the DEA?

11 A. Yes.

12 Q. Did you ever hear Mr. Quintero state that  
13 Cardinal was not reporting suspicious orders?

14 A. No.

15 Q. Did you ever state to anyone that Cardinal  
16 Health was not reporting suspicious orders?

17 A. No.

18 Q. During the time that you were in charge of  
19 anti-diversion efforts at Cardinal Health, did you  
20 have the resources necessary to perform your  
21 work?

22 A. Yes.

23 Q. Showing you the DEA compliance manual that  
24 was marked earlier today as Exhibit 32, do you

1 recall that document?

2 A. Yes.

3 Q. And what is it?

4 A. It was the manual in place outlining our  
5 policy and processes related to DEA.

6 Q. Was it in effect during the time you were  
7 working in anti-diversion?

8 A. Yes.

9 Q. Does it discuss suspicious order  
10 monitoring and suspicious order reporting?

11 A. Yes.

12 Q. I'd like to direct your attention to the  
13 page -- it has Bates page, so I'm going to use the  
14 bottom right pages.

15 A. Okay.

16 Q. It ends with 937, Page 7-1. Does it begin  
17 by discussing ARCOS reports?

18 A. Yes.

19 Q. What are ARCOS reports?

20 A. So registrants are required -- at least  
21 distributors and manufacturers are required to  
22 report ARCOS to the DEA ARCOS unit. We reported  
23 it on a monthly basis.

24 It's all transactions of Schedule II



1 controlled substances and some ARCOS reportables  
2 that are in Schedule III.

3 So there's daily reporting, and then you  
4 have to submit an annual inventory of all your  
5 controlled substances. And then if there's a  
6 newly -- a new ARCOS reportable controlled  
7 substances, you have to report initial inventory.

8 Q. So beyond ARCOS reports, there was also  
9 some discussion of other reporting that was done  
10 for suspicious orders. Do you recall that?

11 A. Yes.

12 Q. The beginning of Cardinal Health's manual  
13 where it references 21 CFR 130.74 (b), it states,  
14 "Wholesalers are responsible for designing and  
15 operating a system that will disclose to the  
16 wholesalers suspicious orders."

17 Do you see that?

18 A. Yes.

19 Q. Did Cardinal Health have such a system?

20 A. Yes.

21 Q. In fact, this document, it is dated in the  
22 bottom left April 5, 2000, right?

23 A. Correct.

24 Q. Were there similar manuals before that

1 date?

2 A. Yes. That's a revision date.

3 Q. Were there similar manuals after that

4 date?

5 A. Yes.

6 Q. And next states that "The wholesaler

7 informs the DEA field office in that area of all

8 suspicious orders."

9 Is that something that Cardinal Health

10 did?

11 A. Yes.

12 Q. On the next page, Page 7-4, there's a

13 discussion of how Cardinal Health complies with

14 1301.74 (b).

15 Do you see that?

16 A. Yes.

17 Q. And it's described as a two-step

18 process?

19 A. Yes.

20 Q. Can you tell me what the two steps are?

21 A. So step one is the submission of the

22 ingredient limit report to the local DEA field

23 office on a monthly basis.

24 Q. And if you turn with me to Exhibit M which

1 is -- let's see. Using the page in the bottom --  
2 excuse me, in the top right, it's Page 263. This  
3 may be a little bit hard to read on the Elmo.

4 A. Got it.

5 Q. Can you tell me what each ingredient limit  
6 report for each customers tells the DEA when you  
7 submit it?

8 A. So each report will show customer name,  
9 DEA number, and then it will go through each  
10 family of a controlled substance that's identified  
11 by a base code. All the families are lumped  
12 together.

13 It will show the quantity the customer  
14 ordered. It will show the item -- the active  
15 ingredient in grams, then total grams purchased,  
16 and then it will add all of that up for a given  
17 month and compare that to the ingredient limit  
18 within the report.

19 And if the customer exceeds that  
20 ingredient limit, they'll show up on the report.

21 Q. Where did the parameters that were used  
22 for the ingredient limit report -- where did those  
23 come from?

24 A. They were developed between the trade

1 association and WDA at the time and the DEA.

2 Q. During your time running anti-diversion  
3 programs at Cardinal Health, did you believe DEA  
4 was aware of Cardinal Health's process to monitor  
5 and report suspicious orders?

6 MR. PAPANTONIO: Objection form.

7 A. Yes.

8 BY MR. PYSER:

9 Q. Did you ever come to an understanding of  
10 whether or not DEA was aware of Cardinal Health's  
11 process for reporting suspicious orders including  
12 ingredient limit reports?

13 MR. PAPANTONIO: Objection form.

14 A. Yes. The reports were submitted to them  
15 on a monthly basis. And during cyclic  
16 inspections, they were looked at as part of  
17 inspection.

18 BY MR. PYSER:

19 Q. What did it mean to you to know that DEA  
20 was aware of this information?

21 MR. PAPANTONIO: Objection. Form.

22 A. It allowed me to believe that we were in  
23 compliance with the requirements based on the  
24 processes we had in place.

1 BY MR. PYSER:

2 Q. Where did you believe that DEA was aware  
3 of these forms?

4 A. First of all, they approved the report and  
5 we were submitting the report to them. And they  
6 were expecting us on a regular basis and we never  
7 had any observations or issues related to what we  
8 were doing.

9 Q. You were shown, earlier today, some  
10 exhibits that referenced specific pharmacies  
11 including Ohio CVS and Brook Park, Overholt's  
12 pharmacy and a pharmacy call New Choice. Do you  
13 recall --

14 A. Yes.

15 Q. -- do you recall that exhibit?

16 A. Yes.

17 Q. And plaintiff's counsel showed you that  
18 exhibit and it was based off ingredient limit  
19 reports. Do you recall that?

20 A. Yes.

21 Q. Each of -- each piece of the information  
22 that was in that exhibit, would that have also  
23 been submitted to DEA?

24 MR. PAPANTONIO: Objection. What

1 was submitted to DEA?

2 A. Yes.

3 BY MR. PYSER:

4 Q. Just to be clear about who's submitting it  
5 to the DEA, that is something Cardinal Health,  
6 your employer, would have submitted the DEA?

7 A. Yes.

8 MR. PAPANTONIO: Objection form.

9 Move to strike.

10 BY MR. PYSER:

11 Q. To your knowledge, did DEA take action  
12 against any of those pharmacies?

13 A. Yes.

14 Q. Which ones?

15 A. Of the --

16 Q. I'm sorry.

17 A. Of the --

18 Q. To be clear, I'm talking about Ohio CVS,  
19 Brook Park, Overholt's pharmacy, or New Choice  
20 Pharmacy. Did DEA takes action against any of  
21 those three?

22 A. No.

23 Q. But there were times when DEA did take  
24 action against pharmacies that Cardinal Health had

1 reported to them --

2 MR. PAPANTONIO: Objection. Form.

3 BY MR. PYSER:

4 Q. -- to your knowledge?

5 MR. PAPANTONIO: Objection. Form.

6 A. I believe so.

7 BY MR. PYSER:

8 Q. Did DEA conduct inspections of Cardinal  
9 Health distribution centers?

10 A. Yes.

11 Q. And when they did so, do you know whether  
12 or not they reviewed Cardinal Health's processes  
13 for suspicious order monitoring and reporting?

14 A. That would have been part of the process,  
15 part of the cyclic inspection.

16 Q. To your knowledge, from the late '80s when  
17 you joined Cardinal Health until you transitioned  
18 roles in 2007, did DEA ever state that the  
19 processes in place for Cardinal Health for  
20 monitoring and reporting suspicious orders were  
21 inadequate?

22 A. No.

23 Q. We also talked a little bit about a second  
24 way, during your testimony earlier today, that

1 Cardinal Health complied with 21 CFR 1301.74(b).

2 Can be describe that for me?

3 A. Yes. Employees who worked in the cage  
4 involved -- that filled orders were tasked with  
5 monitoring the auto process, and if there was  
6 anything that they identified based on their  
7 knowledge of customers, like customers, and  
8 they -- they had the obligation and the ability to  
9 pull that order and hold that order.

10 Q. You were also asked about Exhibit P in the  
11 DEA compliance manual. You can just look at it on  
12 the screen.

13 A. Yes.

14 Q. Do you recall some questions on that?

15 A. Yes.

16 Q. Is every order above the limit in Exhibit  
17 P, the poster that's up in the cage and vault --  
18 is that necessarily a suspicious order?

19 A. No.

20 Q. In the event that someone working in the  
21 cage and vault saw an order above the posted limit  
22 but did not think it was of unusual size,  
23 frequency or pattern, what would Cardinal Health's  
24 policies have expected them to do?



1 MR. PAPANTONIO: Objection as to  
2 what anybody thought about a pattern.

3 A. They would process the order and allow it  
4 to be shipped.

5 BY MR. PYSER:

6 Q. Were there times when Cardinal Health  
7 sought guidance from DEA as to what to do next on  
8 an order that had been flagged as an order of  
9 interest?

10 A. Yes.

11 Q. How did that work?

12 A. Local distribution center would contact  
13 the local DEA office.

14 Q. Now, the process may be different today,  
15 but back, say, in 2007, how did the process work  
16 for filling orders of a controlled substances for  
17 say a hospital in the cage and vault?

18 A. Well, depending on the product -- so if  
19 it's a Schedule II product, DEA form 222 comes in  
20 and that's reviewed by the order entry person to  
21 make sure that it's filled out completely and  
22 according to the regulations.

23 And if there are no alterations, it's  
24 signed and dated. And if it looks okay per the

1 regulation, then the order is entered and  
2 processed. The order picker will pick, compare  
3 what they're picking to the 222, and then record  
4 on Cardinal's copy what was -- the quantity  
5 shipped and the date shipped, and then there's  
6 also a green copy of that that goes into the DEA.

7 The customer kept a blue copy. And once  
8 they received the product, they received the  
9 quantity shipped and the date, and record the date  
10 received.

11 Q. So all those steps are done for each form  
12 222. That's the order form; is that right?

13 A. Correct.

14 Q. And were there procedures for the folks  
15 working, say, in the vault where the Schedule II  
16 medications are kept to describe order filling and  
17 quality control?

18 A. Yes.

19 Q. I just showed you on the screen here,  
20 Section 13-2. Are those the processes for order  
21 filling and quality control?

22 A. Yes.

23 Q. Were you in periodic contact with DEA  
24 throughout the time period you worked in

1 anti-diversion?

2 A. Yes.

3 Q. Did DEA ever ask you for different reports  
4 than the ones you were providing?

5 A. No.

6 Q. Was part of your job to make sure that DEA  
7 received reports consistent with the regulations  
8 and guidance?

9 A. Yes.

10 Q. Do you believe you accomplished that  
11 goal?

12 A. Yes.

13 Q. Have you ever heard of DEA's Internet  
14 pharmacy initiative?

15 A. Yes.

16 Q. What is it?

17 A. The initiative, DEA had met with different  
18 distributors and explained to them that Internet  
19 pharmacies were becoming a growing problem and  
20 asked for wholesaler assistance in monitoring that  
21 activity.

22 They did a presentation for us, gave us a  
23 take-away binder, and identified certain items  
24 that an Internet pharmacy may purchase.

1 Q. Did DEA recognize in their presentation to  
2 you that some pharmacies are lawful?

3 A. Yes.

4 MR. PAPANTONIO: Objection to what  
5 DEA recognized by the presentation.

6 BY MR. PYSER:

7 Q. Let me rephrase the question.

8 Did DEA inform you of any accreditations  
9 that were available for Internet pharmacies?

10 A. Yes. There's is an accreditation through  
11 the National Association of Boards of Pharmacy.

12 Q. And do some pharmacies have that  
13 accreditation?

14 A. Yes.

15 Q. You were asked by plaintiffs' counsel  
16 whether Cardinal Health shipped to Internet  
17 pharmacies. Did Cardinal Health ship to any  
18 pharmacy that wasn't licensed by the DEA?

19 A. No.

20 Q. If Cardinal Health learned that any  
21 Internet pharmacy that was a customer of it was  
22 dispensing improperly, did it cut that customer  
23 off and report it to DEA?

24 A. Yes.

1

2

(Exhibit No. 38 marked for

3

identification.)

4

5

BY MR. PYSER:

6

Q. I'm showing you a document that's been

7

marked as Exhibit 38. Do you recognize it?

8

A. Yes.

9

Q. Is it a true and accurate copy of the

10

presentation given to you by DEA on August 22

11

2005?

12

A. (Witness reviews document.)

13

Yes.

14

Q. Is this some of the guidance that you

15

received from DEA?

16

A. Yes.

17

Q. What did you do in response to receipt of

18

this exhibit?

19

A. I went back to the office and immediately

20

started developing a process and program to

21

monitor Internet pharmacy activity.

22

Q. And in doing that, did you work with

23

someone named Eric Brantley?

24

A. Yes.

1 Q. And what were Mr. -- what was Mr.

2 Brantley's role?

3 A. Mr. Brantley's role was to review the  
4 ingredient limit reports, identify any customers  
5 whose ordering was out of line, to then to conduct  
6 a due diligence visit inspection of that pharmacy.

7 Q. You spoke with -- strike that.

8 Would Mr. Brantley report the results of  
9 any of his investigations to you?

10 A. Yes.

11 Q. You spoke to counsel for the plaintiffs  
12 about whether it was possible for Mr. Brantley's  
13 team to investigate every suspicious orders. Do  
14 you remember that?

15 A. Yes.

16 Q. After -- and when we're talking about  
17 suspicious orders, just to be clear, are those  
18 orders that were already reported to DEA?

19 A. Yes.

20 Q. And in Mr. Brantley's process, did he and  
21 his team make decisions about what suspicious  
22 orders that had been reported to DEA posed a risk  
23 and warranted further investigation?

24 A. Yes.

1 Q. Did you rely on Mr. Brantley and his team  
2 to make the decisions as to what reviews were  
3 necessary and what was done?

4 A. Yes.

5 Q. Sitting here today, are you aware of any  
6 investigation that should have been done but  
7 wasn't?

8 A. No.

9 Q. In the event that an investigation by Mr.  
10 Brantley determined that a pharmacy posted an  
11 unreasonable risk of diversion, what would  
12 happen?

13 A. Customer would be terminated and DEA  
14 notified.

15 Q. And when we're talking about notifying  
16 DEA, was there a particular person at DEA who  
17 received some of Cardinal Health's  
18 notifications?

19 A. Yes.

20 Q. Who is that?

21 A. That would be Kyle Wright.

22 Q. Did you have conversations with Mr. Wright  
23 about Cardinal Health's system?

24 A. Yes.

1 Q. Did Mr. Wright express support of Cardinal  
2 Health's program in 2006?

3 MR. PAPANTONIO: Objection as to his  
4 expression of support.

5 A. Yes.

6 BY MR. PYSER:

7 Q. What did Mr. Wright tell you about  
8 Cardinal Health's program around 2006?

9 MR. PAPANTONIO: Objection as to  
10 what he was told by Mr. Wright.

11 A. He said we were heading in the right  
12 direction and that Eric Brantley had established a  
13 great working relationship with him.

14 BY MR. PYSER:

15 Q. Did Mr. Wright ever tell you --

16 MR. PAPANTONIO: Move to strike, by  
17 the way.

18 BY MR. PYSER:

19 Q. Did Mr. Wright ever tell you that Cardinal  
20 Health's anti-diversion program was deficient in  
21 any way?

22 A. No.

23 MR. PAPANTONIO: Objection as to  
24 form as to what Mr. Brantley -- what was told to



1       this man by another source. You have you have a  
2       document. Show him the document. Objection to  
3       form.

4       BY MR. PYSER:

5           Q.    You can answer.

6           A.    Would you repeat?

7           Q.    Did --

8                       MR. PYSER: And your objection is  
9       noted counsel.

10       BY MR. PYSER:

11           Q.    Did Mr. Wright ever tell you that Cardinal  
12       Health's anti-diversion program was deficient in  
13       any way?

14           A.    No.

15

16                       (Exhibit No. 39 marked for  
17       identification.)

18

19       BY MR. PYSER:

20           Q.    Showing you what's been marked as Exhibit  
21       39, can you tell me what it is?

22           A.    This would be my handwritten notes  
23       documenting my conversation with Kyle Wright.

24           Q.    Do you remember why you called Mr. Wright?

1           A.     Yes. I became aware of what occurred with  
2     AmerisourceBergen and its relationship to Internet  
3     pharmacy. And I wanted to speak with Kyle, that  
4     it was Eric Brantley and myself that contacted  
5     Kyle, just to make sure that we were doing the  
6     right thing.

7           Q.     Explain to the jury what you remember  
8     about that call.

9           A.     Essentially, contacted Kyle, just  
10    explained to him why we were calling, and asked  
11    him are we okay with what we're doing.

12                   MR. PAPANTONIO: Objection as to any  
13    conversation with a DEA agent in regard to what  
14    this man remembers or wrote down about the  
15    conversation. If you have a document, where  
16    Mr. Kyle Wright says this -- I think you do have a  
17    document. Why don't we go ahead and move to that?

18                   MR. PYSER: Counsel, the speaking  
19    objection can --

20                   MR. PAPANTONIO: Okay. You're  
21    wasting your time. This is all -- this is not  
22    even admissible.

23                   MR. PYSER: Finish your answer.

24                   MR. PAPANTONIO: Objection as to

1 form. Hearsay.

2 BY MR. PYSER:

3 Q. Finish your answer, please, sir.

4 A. So we wanted to know if what we were doing  
5 was the right process. He responded that we were  
6 heading in the right direction.

7 MR. PAPANTONIO: Objection. Move to  
8 strike what Mr. Wright said. The --

9 MR. PYSER: Counsel, let him  
10 finish.

11 MR. PAPANTONIO: Well, no. I'm not  
12 going to let him finish. When he says it, I'm  
13 going to object to each part of what he says.

14 MR. PYSER: You don't have the right  
15 to do that. You have to right to object to  
16 form.

17 MR. PAPANTONIO: No. I move to  
18 strike. I have the right to strike an answer.  
19 And I move to strike --

20 MR. PYSER: Do that at the end of  
21 his --

22 MR. PAPANTONIO: -- based on  
23 hearsay. Go ahead with your questioning,  
24 Counselor.

1 BY MR. PYSER:

2 Q. You can finish.

3 A. So he thinks -- he said he thought we were  
4 doing the right thing.

5 MR. PAPANTONIO: Continued  
6 objection. Move to strike.

7 A. Gave us some guidance about if there was  
8 any suspicion on a customer, just walk away, offer  
9 to meet with us, said his -- the decision on ABC  
10 was not made by his office, shared with us a  
11 little bit about pain management clinics, and that  
12 if we ever came across anything, to let him know  
13 and just to document everything we were doing.

14 MR. PAPANTONIO: Continuing  
15 objection. Move to strike.

16 BY MR. PYSER:

17 Q. Showing you what's been marked as Exhibit  
18 40.

19

20 (Exhibit No. 40 marked for  
21 identification.)

22

23 BY MR. PYSER:

24 Q. Do you recognize Exhibit 40?

1 A. Yes.

2 Q. Is this an e-mail you wrote based on your  
3 call with Mr. Wright?

4 A. Yes.

5 Q. Does the e-mail accurately describe the  
6 content of that phone call?

7 A. Yes.

8 Q. And was it written the day after the call?

9 A. Yes.

10 Q. If you look at the first bullet point,  
11 does it state that -- well, let's go right above  
12 that first -- "Key feedback from Kyle included,"  
13 do you see that?

14 A. Yes.

15 MR. PAPANTONIO: Objection to form.

16 BY MR. PYSER:

17 Q. And under that, does it say, "He thinks we  
18 are doing the right things and heading in the  
19 right direction"?

20 A. Yes.

21 MR. PAPANTONIO: Continuing  
22 objection.

23 BY MR. PYSER:

24 Q. Do you recall, in 2006 and 2007, a series

1 of letters from DEA to all distributors?

2 A. Yes.

3 Q. You were asked about some of those letters  
4 earlier today by Mr. Fuller?

5 A. Yes.

6 Q. From your perspective, was Cardinal Health  
7 in compliance with all of the guidance in  
8 Mr. Rannazzisi's September 27, 2006 letter?

9 A. Yes.

10 Q. As part of that letter -- I believe it's  
11 Exhibit 30.

12 In Exhibit 30, Mr. Rannazzisi wrote that  
13 "DEA recognized that the overwhelming majority of  
14 registered distributors act lawfully and take  
15 appropriate measures to prevent diversion.

16 I think we're on the wrong page. I draw  
17 your attention here -- it's exhibit, so I can't  
18 highlight it, but the second paragraph. Do  
19 you see where it says "DEA recognizes the  
20 overwhelming majority" --

21 A. Yes.

22 Q. -- "of registered distributors act  
23 lawfully and take appropriate measures to prevent  
24 diversion"?

1 A. Yes.

2 Q. Did you believe Cardinal was among those  
3 distributors that was acting lawfully and taking  
4 appropriate measures?

5 A. Yes.

6 Q. Why?

7 A. A couple of reasons. Based on the fact  
8 that we were using a report that DEA approved,  
9 submitting it to them as required, having it  
10 reviewed during cyclic inspections with no  
11 negative findings, the process we put in place in  
12 our cage and vault, and then the steps we took  
13 after our meeting with the DEA around Internet  
14 pharmacy.

15 Q. Now, there's also -- as part of Exhibit 30  
16 on Page 9, there's a list of circumstances that  
17 may be indicative of diversion.

18 Was Cardinal Health using those  
19 suggestions from the DEA to look for circumstances  
20 that might be indicative of diversion?

21 A. Yes.

22 Q. In your view, was there a time when DEA  
23 guidance regarding shipment of suspicious orders  
24 changed?

1 A. Yes.

2 Q. Approximately when was that?

3 A. September 2007.

4 Q. I'm showing you what's been marked as  
5 Exhibit 41.

6  
7 (Exhibit No. 41 marked for  
8 identification.)

9

10 BY MR. PYSER:

11 Q. Can you tell me what Exhibit 41 is?

12 A. This is the presentation given at the drug  
13 enforcement industry conference by  
14 AmerisourceBergen.

15 Q. And there's some handwriting on Exhibit 41  
16 throughout the exhibit. Can you tell us whose  
17 handwriting that is?

18 A. That's mine.

19 Q. Tell the jury what you remember about the  
20 presentation.

21 A. That essentially this was going to be the  
22 new standard for the industry with respect to how  
23 suspicious orders were monitored, reported and  
24 handled.



1 Q. And did you subsequently draft an e-mail  
2 to others in anti-diversion as a result of what  
3 you had seen at that industry conference?

4 A. Yes.

5 Q. In exhibit -- and excuse me, and is that  
6 e-mail Exhibit 42?

7

8 (Exhibit No. 42 marked for  
9 identification.)

10

11 (Witness reviews document.)

12 BY MR. PYSER:

13 Q. Is the e-mail you wrote Exhibit 42?

14 A. Yes.

15 Q. And you wrote "DEA is setting a new  
16 standard, which we must comply."

17 What did you mean by "a new standard"?

18 A. It was a change in the way that -- moving  
19 away from the ingredient limit report and there  
20 was -- the biggest thing that came out to me here  
21 was they were clear-cut that -- do not ship.

22 Q. And was that new to you?

23 A. That was new to me.

24 Q. And what steps did Cardinal Health take

1 after the presentation by AmerisourceBergen and  
2 DEA?

3 A. Well, immediately upon return to the -- to  
4 our corporate office, we started pulling together  
5 the appropriate team to start developing a new  
6 program.

7 Q. Earlier, when you were being asked  
8 questions by plaintiffs, you were shown some  
9 differences between Ohio and Illinois.

10 Do you remember that?

11 A. Yes.

12 Q. Would every one of the pills, every piece  
13 of medication that was in that chart, have been  
14 reported to DEA through the ARCOS system?

15 A. Yes.

16 Q. And to your knowledge, would every  
17 prescription that was filled in either Ohio or  
18 Illinois or West Virginia, or any other state for  
19 that matter, would that have required a doctor's  
20 prescription?

21 A. Yes.

22 Q. And for every prescription and pill  
23 dispensed, would there have had to have been a  
24 pharmacist with the corresponding responsibility

1       who made a decision to dispense that medication?

2                               MR. PAPANTONIO:  Objection.  Form.

3           A.    Yes.

4   BY MR. PYSER:

5           Q.    You were also shown a chart that purported  
6   to have oxycodone for all distributors.  Do you  
7   recall that?

8           A.    Yes.

9           Q.    Is that information that Cardinal Health  
10   would have known at the time for all  
11   distributors?

12                           MR. PAPANTONIO:  Objection as to  
13   what a Cardinal Health would have known from  
14   asking this one witness.

15   BY MR. PYSER:

16           Q.    Strike that.

17                       Is that information that you understand  
18   was available to distributors like Cardinal  
19   Health?

20           A.    No.

21           Q.    Would DEA have had that information?

22           A.    Yes.

23           Q.    You spent some time earlier today with  
24   counsel for plaintiffs discussing some suspension

1 orders of Cardinal Health facilities. Do you  
2 recall that?

3 A. Yes.

4 Q. Approximately how many distribution  
5 facilities does Cardinal Health have?

6 A. They could have -- I mean approximately in  
7 the mid twenties.

8 Q. Do the distribution centers for Cardinal  
9 Health distribute to specific geographic areas?

10 A. Yes.

11 Q. To your knowledge, was there ever a  
12 suspension order for any facility that shipped to  
13 northern Ohio?

14 A. No.

15 Q. Was there ever a suspension order to any  
16 facility that shipped to West Virginia?

17 A. No.

18 Q. You were asked briefly some questions  
19 about this document. It was marked earlier today.  
20 It was Exhibit 10.

21 Do you recall that it's an Operation 1  
22 Cardinal Health quality management meeting?

23 A. Yes, yes.

24 Q. How, if at all, does this document and the

1        comments in it relate to anti-diversion work at  
2        Cardinal Health?

3            A.     It does not.

4            Q.     You were also asked earlier today about  
5        Exhibit 5.   Exhibit 5 concerned a facility  
6        assessment in Birmingham, Alabama.   Do you recall  
7        that?

8            A.     Yes.

9            Q.     When did Cardinal Health acquire the  
10       facility in Birmingham, Alabama?

11          A.     In June of 2006.

12          Q.     And this assessment is also dated June 26  
13       through 29, 2006.   Do you see that?

14          A.     Yes.

15          Q.     The questions you were asked regarding  
16       controlled substances order filling and other  
17       issues at the Birmingham, Alabama facility, did  
18       that concern Cardinal Health System?

19          A.     No.   It was the existing Dohmen systems.

20          Q.     So is it fair to say that the critiques  
21       and criticisms in this document, Exhibit 5, are  
22       unrelated to Cardinal Health's --

23                        MR. PAPANTONIO:   Objection to form.

24        BY MR. PYSER:

1 Q. -- anti-diversion process?

2 MR. PAPANTONIO: Objection. Form.

3 BY MR. PYSER:

4 Q. Let me ask it this way. To your  
5 knowledge, are any of the criticisms or critiques  
6 in this document related to Cardinal Health's  
7 anti-diversion process?

8 A. No.

9 Q. Mr. Reardon, in your experience at  
10 Cardinal Health over 25 years, did you ever see  
11 Cardinal Health ship an order that you believed  
12 would be diverted?

13 A. No.

14 MR. PYSER: No further questions.

15 MR. PAPANTONIO: How long was that?

16 THE VIDEOGRAPHER: Thirty-six  
17 minutes.

18

19 (Pause in proceedings.)

20

21 MR. PAPANTONIO: Well, I want the  
22 exhibits stacked here. I want all the exhibits  
23 together.

24 MR. PYSER: Does that -- does that

1 include the ones that are blue?

2 MR. PAPANTONIO: That includes --

3 all the exhibits, I want, right, stacked up with

4 the exhibit. See, that's what I'm concerned

5 about. Exhibits shouldn't be on the floor.

6

7 (Pause in proceedings.)

8

9 REDIRECT EXAMINATION

10 BY MR. PAPANTONIO:

11 Q. Sir, now, you were asked -- you were asked

12 about -- let's see. You were asked about changes

13 that took place -- you remember the -- being asked

14 about ABC changing the policy of how they had a

15 reporting system?

16 A. Yes.

17 Q. Do you remember that?

18 DEFENSE COUNSEL: Objection. Form.

19 BY MR. PAPANTONIO:

20 Q. Do you remember being asked just a minute

21 ago by your -- you remember that?

22 A. Yes.

23 Q. Okay. Show me 4195.

24 When you gave that answer about how you

1       wanted to -- you thought ABC system was great. Is  
2       that your testimony?

3                       MR. PYSER: Object to form.

4       BY MR. PAPANTONIO:

5               Q.     4195, please.

6                       MS. MOORE: Reardon 38.

7       BY MR. PAPANTONIO:

8               Q.     Is that what you told --

9               A.     I did not think it was great. I knew it  
10       was new.

11              Q.     Well, so sir you thought --

12                      MR. PYSER: Objection, counsel.

13       BY MR. PAPANTONIO:

14              Q.     I'm sorry, what did you say about --

15                      MR. PYSER: I think you're using the  
16       wrong exhibit number, just so you know.

17                      MR. PAPANTONIO: 4195.

18                      MR. PYSER: Which I don't believe --  
19       I think that's --

20                      MR. PAPANTONIO: Well, we're going  
21       to talk about 4195.

22                      Give him the right document, please.

23

24                      (Pause in proceedings.)



1

2 (Exhibit No. 43 marked for

3 identification.)

4

5 BY MR. PAPANTONIO:

6 Q. What do you have in front of -- you see

7 what we're reading in front of you right now?

8 A. I have --

9 Q. It's got your name on top of it, right?

10 A. Yes.

11 Q. And it says -- now, this is -- I don't

12 believe they asked you about this when they

13 brought this up, so let me ask you about it.

14 "HDMA met with DEA officials last Friday,

15 September 7." You were at that meeting, is that

16 right, Mr. Reardon?

17 A. No.

18 Q. Well, is -- this is your -- you simply are

19 passing this on, is that correct? It's got your

20 name on top of it, right?

21 A. Correct.

22 Q. It says "Summary of DEA meeting."

23 Do you see that?

24 A. Yes.

1 Q. And this is your summary, correct?

2 A. It's my summary of the DEA conference, not  
3 the HDMA meeting.

4 Q. Okay. Well, let's see what you said about  
5 the conference.

6 "HDMA met with DEA officials last Friday,  
7 September 7, to discuss the agency's current  
8 policy position on suspicious orders of controlled  
9 substances. A summary highlight, the key points  
10 made during the meeting are attached for your  
11 review.

12 "DEA is setting a new standard with which  
13 we must comply. This is all coming about as a  
14 result of the problems with the Internet  
15 pharmacies and controlled substances diversion.  
16 Recently, they suspended an ABC registration and  
17 used the suspension to get them to implement a  
18 complex and onerous suspicious order monitoring  
19 program that meets the criteria spelled out in the  
20 HDMA."

21 What is the HDMA?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. What is the HDMA?

1 A. Trade association.

2 Q. Right. It's the trade association you  
3 were a member of, correct?

4 A. Yes.

5 Q. And you're describing the new standard  
6 that I think you just talked about. You're  
7 describing it as complex, onerous. That's --  
8 those are your words, right, "complex" and  
9 "onerous"?

10 A. Yes.

11 Q. And then it's -- what's complex and  
12 onerous about it?

13 A. Primarily it's a change to the business  
14 model and the impact on customers who are going to  
15 have to come up with new inventory management  
16 processes and how they manage their inventory and  
17 how they order their stock and then opening up to  
18 site visits.

19 Q. So you were worried about your customers.  
20 Is that what you're telling me? This new change,  
21 you're worried about your customers. Is that your  
22 testimony?

23 MR. PYSER: Object to form.  
24 Misstates testimony.

1 BY MR. PAPANTONIO:

2 Q. Right?

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. You said it was going to be too onerous  
6 and complex for customers?

7 A. It's a change in the business model for  
8 the customers.

9 Q. It says "Recently they suspended the ABC  
10 registration." Then goes on to say,  
11 "ABC presented their program at the DEA industry  
12 conference this week that I attended."

13 DEFENSE COUNSEL: Objection to form.

14 BY MR. PAPANTONIO:

15 Q. It says "I attended," right?

16 A. This is two separate meetings.

17 Q. Okay. Well, let's ask. It says "ABC  
18 presented their program at the DEA industry  
19 conference" -- were you there --

20 A. Yes.

21 Q. Okay. -- "this week that I attended and I  
22 have attached a copy of the presentation. DEA  
23 referred to ABC program as the new industry  
24 standard. I will be setting up a meeting to

1       initiate discussions on this topic in the near  
2       future. Additionally, I'm aware that MCK" -- what  
3       is MCK?

4           A.     McKesson.

5           Q.     -- "is in ongoing negotiations DEA related  
6       to -- related to an order to show cause. An order  
7       to show cause effects the registrant and the  
8       opportunity to argue why a registration should be  
9       suspended," right?

10                  Is that what it said?

11           A.     Correct.

12           Q.     Look at the last paragraph. These are  
13       your words, aren't they? These are your words?

14           A.     Yes.

15           Q.     "We need to be proactive and implement a  
16       program that we develop that will satisfy DEA  
17       expectations and that is not dictated to us by the  
18       agency pursuant to the regulatory actions."

19                  You didn't want to be dictated to by the  
20       DEA. That's what this says, right?

21                  MR. PYSER: Objection.

22           A.     No, we didn't.

23                  MR. PYSER: Object to form.

24       BY MR. PAPANTONIO:

1 Q. You didn't want to be -- you did not want  
2 to be dictated to by the DEA, correct?

3 A. We did --

4 MR. PYSER: Object to form.

5 A. We did not want to have a regulatory  
6 action taken against us. We wanted to get out in  
7 front of this and develop a program that would  
8 meet the new standard that they talked about at  
9 the meeting.

10 Q. And that new standard that you created we  
11 just saw in 2008. You had to pay \$34 million  
12 because the standard you created didn't work,  
13 correct?

14 MR. PYSER: Object to form and  
15 misstates.

16 BY MR. PAPANTONIO:

17 Q. \$34 million under this standard that  
18 you're talking about?

19 MR. PYSER: Object to form.  
20 Misstates evidence.

21 BY MR. PAPANTONIO:

22 Q. Right. Didn't we just spend all day  
23 talking about the fact that of what happened in  
24 2008?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Remember us talking about what happened in  
4 2008 when your company was fined \$34 million  
5 because of your failure to comply with your own  
6 standards? Do you remember that?

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. Yes or no?

10 A. We paid a fine.

11 Q. Right. But that was because the  
12 standards -- these new standards you're talking  
13 about. You didn't even comply with your own  
14 standards, did you?

15 MR. PYSER: Object to form.

16 Objection. Misstates evidence.

17 BY MR. PAPANTONIO:

18 Q. Do you remember us talking about that?

19 A. We put a program.

20 Q. The jury is going to remember if you don't  
21 remember. Do you remember that your own standards  
22 failed and you were fined \$34 million, yes or  
23 no?

24 MR. PYSER: Object.

1 A. Yes.

2 MR. PYSER: Object to form and move  
3 to strike counsel's colloquy.

4 BY MR. PAPANTONIO:

5 Q. And then you remember also 2012, what we  
6 spent most of day talking about, that MOU of 2012,  
7 right?

8 MR. PYSER: Object to form.

9 BY MR. PAPANTONIO:

10 Q. Do you remember that?

11 A. Yes.

12 Q. And they said that you didn't follow your  
13 standards there, correct?

14 MR. PYSER: Object to form.

15 Hearsay. Move to strike.

16 BY MR. PAPANTONIO:

17 Q. They didn't -- you didn't even follow your  
18 standards in 2008, correct?

19 MR. PYSER: Object to form.

20 BY MR. PAPANTONIO:

21 Q. Yes or no?

22 A. That was the alleged.

23 Q. You didn't follow your standards in 2012,  
24 correct?



1 MR. PYSER: Object to form.

2 A. Alleged.

3 BY MR. PAPANTONIO:

4 Q. You didn't follow your standards in --  
5 well, let's -- just so that the jury can remember  
6 what we went through. Because your lawyer tried  
7 to make it sound like you had these new standards  
8 and they were going to solve the problem of  
9 diversion for your company, so let's go back and  
10 look.

11 Give me -- if you would, give me that Elmo  
12 because I want to make sure that we get this done  
13 right. Because you just testified that you had  
14 developed standards, didn't you?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. Yes?

18 A. Yes.

19 Q. And you said -- you said initially that  
20 the standards were onerous and complex, correct?  
21 That's what you said?

22 A. That's what the e-mail states.

23 Q. Well, that's what -- those are your words.  
24 What do you mean that's what the e-mail states?

1 Those are your words, right?

2 MR. PYSER: Object to form.

3 Argumentative.

4 BY MR. PAPANTONIO:

5 Q. True, those are your words?

6 A. I wrote it.

7 Q. You wrote it. And you also wrote that,

8 "We need to be proactive and to implement a

9 program that we develop that will satisfy the DEA

10 expectations and that is not dictated to us by the

11 agency pursuant to regulatory action. The ABC

12 program is not customer friendly and results in

13 delayed filing and delivery of controlled

14 substances orders to the customer."

15 That's what you wrote, correct? So you

16 developed a new -- you developed a new standard.

17 Isn't that what you're trying to tell the jury --

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. -- that Cardinal developed a new

21 standard?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. That's your testimony, isn't it?

1 MR. PYSER: Object to form.

2 BY MR. PAPANTONIO:

3 Q. Right?

4 A. We developed a standard.

5 Q. Under that standard -- we already  
6 established you developed the standard in 2007,  
7 correct?

8 A. We began --

9 Q. Is that when you developed your new  
10 standard?

11 A. Began work in 2007.

12 Q. How many people became addicted to opioids  
13 under your old standard, do you know? Did you  
14 ever do a lookback to find out how many Americans  
15 became addicted while you were using the old  
16 system between 1999 and 2007? Did you ever do a  
17 lookback on that?

18 MR. PYSER: Object to form.

19 A. No.

20 BY MR. PAPANTONIO:

21 Q. Did you ever find out how many people died  
22 because of opioid overdoses between -- well, the  
23 four you put in your new system in 2007?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Do you know how many died?

3 MR. PYSER: Object to form.

4 Argumentative. Also --

5 BY MR. PAPANTONIO:

6 Q. Do you know how many died, sir?

7 MR. PYSER: Object to form.

8 Argumentative. Also, object to the counsel's use

9 of air quotes on the video.

10 BY MR. PAPANTONIO:

11 Q. Do you know how many died --

12 A. No.

13 Q. -- prior to the time that you put in your

14 brand new improved standard?

15 MR. PYSER: Object to form.

16 BY MR. PAPANTONIO:

17 Q. You don't know, do you?

18 A. No.

19 Q. You never did a lookback to find out,

20 what's the difference between the number of people

21 dying with our new standard and the number of

22 people that died with our old standard? You never

23 did any kind of lookback on that, did you?

24 MR. PYSER: Object to form. Asked

1 and answered.

2 BY MR. PAPANTONIO:

3 Q. Yes or no?

4 MR. PYSER: Object to form.

5 A. No.

6 BY MR. PAPANTONIO:

7 Q. All right. That would be interesting to  
8 know though, wouldn't it, to see if your old  
9 standard that you used -- how many people died  
10 under the old standard and how many people died  
11 under the new standard from sales of opioids?  
12 That would be interesting to you, wouldn't it?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. Wouldn't it?

16 A. Maybe.

17 Q. What do you mean, "maybe"?

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. What do you mean, "maybe"?

21 MR. PYSER: Object to form.

22 Argumentative.

23 BY MR. PAPANTONIO:

24 Q. What do you mean when you say maybe it

1 would be interesting to find out how many people  
2 died under our old standard prior to the 2007 as  
3 opposed to the new standard after 2007?

4 MR. PYSER: Object to form.  
5 Argumentative. Misstates evidence.

6 BY MR. PAPANTONIO:

7 Q. What do you mean by "maybe"?

8 A. That, depending on what the lookback  
9 showed, it may be interesting.

10 Q. Yeah, okay. Your testimony is it will be  
11 interesting?

12 MR. PYSER: Object to form. Move  
13 the strike.

14 BY MR. PAPANTONIO:

15 Q. Let me go on to some -- let me go on to  
16 some more interesting facts.

17 Okay. 2007 you come up with your new  
18 standard. That's right here on -- we did -- used  
19 this document. It's 29, Reardon 29, on direct  
20 examination.

21 And then in 2008, again, this says "Busted  
22 for diversion, paid a fine for \$34 million,"  
23 right?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. We talked about that, correct?

3 MR. PYSER: Object to form. Ongoing

4 objection to this demonstrative.

5 BY MR. PAPANTONIO:

6 Q. Correct?

7 A. Correct.

8 Q. And the new system was in place then in

9 2008, wasn't it?

10 MR. PYSER: Object to form.

11 BY MR. PAPANTONIO:

12 Q. Right?

13 A. Right.

14 Q. And the new system was also in place --

15 this new improved system that you're talking

16 about, well, it was in place in 2012, wasn't it?

17 MR. PYSER: Object to form.

18 BY MR. PAPANTONIO:

19 Q. Yes?

20 A. Yes.

21 Q. Nevertheless, you had to sign another MOU

22 in 2012 because you -- the system wasn't working,

23 correct?

24 MR. PYSER: Object to form.

1           A.     Allegation that it wasn't working.

2       BY MR. PAPANTONIO:

3           Q.     Yeah, pretty serious allegation.   Do you  
4     know how much fine you paid there?

5                   MR. PYSER:   Object to form.

6       BY MR. PAPANTONIO:

7           Q.     Do you know how much fine you paid, not  
8     first time but the second time?

9           A.     I don't recall.

10          Q.     Well, I'll let you find out.   The jury  
11     will hear about it.

12                   MR. PYSER:   Object to form.

13       BY MR. PAPANTONIO:

14          Q.     Then Kinray --

15                   MR. PYSER:   Object to form.   Move to  
16     strike colloquy by counsel and comments from  
17     counsel.

18       BY MR. PAPANTONIO:

19          Q.     Kinray, 2016.   Kinray, what was that, a  
20     \$10 million fine?   I think it was 10 million,  
21     right?   And that was under your new system Kinray  
22     was using your new system, right?

23                   MR. PYSER:   Object to form.

24     Misstates evidence.



1 A. I don't know that.

2 BY MR. PAPANTONIO:

3 Q. Well, did you ever take time to find out  
4 why they had to pay \$10 million using your new  
5 system?

6 A. I had retired by then.

7 Q. So you -- you're still a consultant with  
8 the company?

9 A. Non-DEA matters.

10 Q. The company pays you to be a consultant,  
11 don't they?

12 A. Yes.

13 Q. And you were paid to come here today,  
14 weren't you?

15 A. No.

16 Q. You were -- you're not being paid by the  
17 hour to be here today?

18 A. I don't know that.

19 Q. Have you been paid by the hour to prepare  
20 for this deposition?

21 A. No. I have to consult with my contact at  
22 Cardinal Health to see whether or not it falls  
23 within my contract.

24 Q. Okay. So you don't know whether you're

1 going to be paid today or not, correct?

2 MR. PYSER: Object.

3 A. Correct.

4 BY MR. PAPANTONIO:

5 Q. Is that right?

6 MR. PYSER: Object to form.

7 BY MR. PAPANTONIO:

8 Q. You want to go get paid?

9 MR. PYSER: Object to form.

10 BY MR. PAPANTONIO:

11 Q. Do you hope to be paid today, sir? For  
12 coming here to testify about what you remember,  
13 you hope to be paid?

14 MR. PYSER: Object to form.

15 A. To me it doesn't matter. I'm happy to be  
16 here.

17 BY MR. PAPANTONIO:

18 Q. You're happy to be here. Are you happy to  
19 hear -- were you happy to hear about all the  
20 things that your company did wrong when we talked  
21 about the 2020 investigation -- the 2012  
22 investigation by the DEA? Did that make you happy  
23 to hear that?

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Did that make you happy, sir?

3 A. No. It was disheartening.

4 Q. Very disheartening, wasn't it? It was  
5 also disheartening when you learned in 2008 that  
6 that new system that Cardinal had in place -- it  
7 wasn't working then either, right?

8 MR. PYSER: Object to form.

9 A. Alleged that it didn't work.

10 BY MR. PAPANTONIO:

11 Q. Well, sir, I mean, alleged. You paid \$34  
12 million for the alleged failure to work right?  
13 Correct?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. And while you're talking about this  
17 program that you had, you're well aware that even  
18 in 2009 Cardinal Health's -- in Cardinal Health's  
19 own word, they had no real program. Did you know  
20 that?

21 MR. PAPANTONIO: Show him this  
22 document. I don't think he saw it, 3851.

23 MR. PYSER: Object to form.

24 BY MR. PAPANTONIO:

1           Q.     3851. I want you take a look at this  
2     based on the answer that you gave, that in 2007  
3     you had a brand new program that worked.

4                     MR. PAPANTONIO: Okay. Let's let  
5     him look at this.

6                     MR. PYSER: Object to form.  
7     Counsel, while we're putting that out, do you want  
8     the prior document that was marked Exhibit 38? I  
9     don't want it to get mixed up.

10                    MR. PAPANTONIO: We're not going to  
11    waste time with that.

12                    MS. MOORE: This will be Cardinal --  
13    Reardon 44.

14  
15                    (Exhibit No. 44 marked for  
16    identification.)

17  
18    BY MR. PAPANTONIO:

19           Q.     Now, you've seen this document, right?

20           A.     (Witness reviews document.)

21           Q.     Do you see that, 2009 document, right?

22           A.     I don't recall seeing it.

23           Q.     Well, you weren't shown this before you  
24    were asked the question about whether or not the

1 system -- whether you had a system in place to  
2 report suspicious orders after 2007? Nobody  
3 showed this to you, right --

4 MR. PYSER: Object to form.

5 BY MR. PAPANTONIO:

6 Q. -- before you gave that testimony?

7 A. Correct.

8 Q. Right?

9 A. I have not seen this.

10 Q. Well, see -- Page, 2 you see it says

11 "Prescription drug abuse"?

12 A. Yes.

13 Q. "Rogue Internet pharmacies easy access,  
14 pain clinics, 3-DC suspension, CAH," then gives  
15 some names.

16 Who's Kerry, Jeff, Ivan, DEA meeting? Do  
17 you know who those people are?

18 MR. PYSER: Object to form.

19 Misstates evidence. This was sometime after the  
20 new system was in.

21 BY MR. PAPANTONIO:

22 Q. Do you know who those people are?

23 MR. PYSER: Object to form.

24 A. I believe it's Kerry Clark.

1 BY MR. PAPANTONIO:

2 Q. What's the date on this?

3 A. April 13, 2009.

4 Q. And it says down at the bottom -- let's  
5 read this together -- "Feeling from DEA Cardinal  
6 people are the" -- "feeling from DEA, Cardinal  
7 people". You see that in quotes?

8 Let's make sure we get that. Underline  
9 "Cardinal people are the problem."

10 Did you know that the DEA had said that  
11 the Cardinal employees were the problem with  
12 diversion? Had you ever heard that before?

13 MR. PYSER: Object to form.

14 BY MR. PAPANTONIO:

15 Q. Have you ever heard that before, sir?

16 MR. PYSER: Object to form. Object  
17 to hearsay.

18 A. No.

19 BY MR. PAPANTONIO:

20 Q. Okay. And then it goes on to say that  
21 "New York AG settlement addresses diversion but  
22 was not enforced."

23 Do you see that?

24 MR. PYSER: Object to form?

1 A. Yes.

2 BY MR. PAPANTONIO:

3 Q. "Was not enforced."

4 Do you realize you had a diversion system  
5 that was not enforced? Did you know that?

6 MR. PYSER: Object to form.

7 A. No.

8 BY MR. PAPANTONIO:

9 Q. This first time you've seen this?

10 A. Yes.

11 Q. And it says "Cardinal's knee-jerk  
12 reaction."

13 Do you see this, "November/December, blunt  
14 force, cutoff pharmacies, no real program."

15 Do you see that?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. And then again it says "December 12, 2007,  
19 letter warning Cardinal about customer  
20 communication."

21 Do you remember that?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. Do you remember any of these -- this thing

1 I'm showing you?

2 A. Never seen it.

3 Q. You've never seen this?

4 A. Never seen this.

5 Q. And before you were asked about how well

6 your system was working, you had never seen this

7 document, correct?

8 MR. PYSER: Object to form.

9 Misstates evidence.

10 BY MR. PAPANTONIO:

11 Q. Correct? Am I correct?

12 A. Correct.

13 MR. PAPANTONIO: Show him 4371.

14 BY MR. PAPANTONIO:

15 Q. Sir, do you respect your CEOs -- the CEOs

16 that you worked under? How many different CEOs

17 have you worked under? 4371. How many CEOs have

18 you worked under?

19 MR. PYSER: Object to form.

20 MS. MOORE: Reardon 45.

21

22 (Exhibit No. 45 marked for

23 identification.)

24



1 A. I'm thinking. Probably three.

2 BY MR. PAPANTONIO:

3 Q. Well, Gary Dolch, do you know who he is?

4 A. Yes.

5 Q. Tell me who Gary Dolch is.

6 A. He was the Executive Vice President of

7 Quality and Regulatory Affairs.

8 Q. Quality and Regulatory Affairs. That's  
9 exactly what you did between 2005 and 2007, right?

10 A. Correct.

11 Q. And this says Gary Dolch -- it says  
12 "Illegal online sellers Feds say." And then it  
13 goes -- see where it says -- well, let's just  
14 say -- "It looks like I am scheduled for call for  
15 both of you at 4:30"," and then it -- attaches  
16 where you -- here's what I want you to take a look  
17 at.

18 You know there was an article attached --  
19 do you see Page 3? There's an article attached to  
20 this e-mail. Do you see the article that actually  
21 is attached to the e-mail?

22 A. Yes.

23 Q. And it says "Cardinal loses third facility  
24 to drug case. Pills ended up being sent to

1 illegal online sellers, Feds say."

2 And that's in the Columbus Dispatch,

3 right? That's where it says is Columbus Dispatch?

4 A. Correct.

5 Q. And that's right where headquarters was,

6 right?

7 MR. PYSER: Object to form.

8 Objection to prior question as well. Objection.

9 Hearsay.

10 BY MR. PAPANTONIO:

11 Q. That's where the Columbus Dispatch is,

12 right?

13 A. Correct.

14 Q. Do you understand that somebody from your

15 company is attaching this news article to this

16 e-mail? Can you see that?

17 A. Yes.

18 Q. So they attach this because -- well, I

19 don't know why, but they attach it to the e-mail

20 that says Columbus Dispatch. And that's where the

21 headquarters is, correct?

22 MR. PYSER: Object to form.

23 BY MR. PAPANTONIO:

24 Q. Right, Ohio?

1 A. Correct.

2 Q. And then my partner showed you that in  
3 Ohio the numbers of -- the numbers of narcotics  
4 exceeded the numbers in Illinois six times.

5 Did you remember him going through all  
6 those charts with you and everything?

7 MR. PYSER: Object to form and  
8 objection, misstates evidence.

9 BY MR. PAPANTONIO:

10 Q. Do you remember that?

11 A. Yes.

12 Q. It says "A third Cardinal Health facility  
13 has been barred from distributing controlled  
14 substances in a federal investigation into alleged  
15 diversion of pharmaceutical orders to elicit  
16 online drug sellers. The latest license  
17 suspension" -- you understand -- do you realize  
18 these are not even license suspensions we talked  
19 about earlier in your direct examination?

20 MR. PYSER: Object to form.  
21 Misstates evidence.

22 BY MR. PAPANTONIO:

23 Q. Do you know that?

24 MR. PYSER: Object to form.

1 Misstates evidence.

2 BY MR. PAPANTONIO:

3 Q. Are you able to tell that we're talking  
4 about different problems here?

5 MR. PYSER: Object to form.

6 BY MR. PAPANTONIO:

7 Q. Correct me if I'm wrong.

8 MR. PYSER: Misstates evidence.

9 You're purposely misleading the witness.

10 BY MR. PAPANTONIO:

11 Q. Correct me if I'm wrong. Look at this  
12 document. We're talking about suspensions and we  
13 haven't even talked about this today, right?

14 MR. PYSER: Object to form.

15 Misstates evidence.

16 BY MR. PAPANTONIO:

17 Q. Right?

18 MR. PYSER: You're purposefully  
19 misleading the witness.

20 MR. PAPANTONIO: No, I'm not. I'm  
21 asking him, a witness.

22 BY MR. PAPANTONIO:

23 Q. Did I mislead that or does this document  
24 say that?

1 MR. PYSER: Object to form.

2 MR. PAPANTONIO: Let him answer the  
3 question. You want to testify, I'll put you under  
4 oath. Right now I'm asking him a clear question.

5 MR. PYSER: I'm making an objection  
6 because your question's improper.

7 MR. PAPANTONIO: Question's very  
8 clear.

9 BY MR. PAPANTONIO:

10 Q. First of all, this is a Columbus Dispatch  
11 that's addressed to -- that's Columbus that is  
12 attached to an e-mail right inside the Cardinal  
13 Health facility, correct?

14 MR. PYSER: Object to form.

15 A. Correct.

16 BY MR. PAPANTONIO:

17 Q. And we're talking about -- it says  
18 "Cardinal loses third facility" -- that's the way  
19 it starts out, right -- "to drug case. Pills  
20 ended up being sent to illegal online sellers."

21 Now, did we talk -- we haven't even talked  
22 about that today, have we?

23 MR. PYSER: Object to form.

24 Misstates evidence.

1 BY MR. PAPANTONIO:

2 Q. This is the first time we've talked about  
3 it, right?

4 MR. PYSER: Object to form.

5 Misstates evidence.

6 BY MR. PAPANTONIO:

7 Q. Do you remember me talking to you about  
8 this before today -- I mean, before this -- do you  
9 remember me talking -- let me scratch that.

10 Before your witness -- your lawyer asked  
11 you whether or not you had a system in place that  
12 worked after 2007, do you remember ever seeing  
13 this document?

14 MR. PYSER: Object to form.

15 Misstates evidence. Object to form. Misstates  
16 evidence, misstates testimony.

17 BY MR. PAPANTONIO:

18 Q. Do you remember?

19 MR. PYSER: Object to form.

20 A. Do I remember seeing this document?

21 BY MR. PAPANTONIO:

22 Q. Yes.

23 A. No.

24 Q. Okay. Well, let's look at the document.

1 It says "A third Cardinal Health facility has been  
2 barred." What's the word "barred" mean?

3 We're not talking about suspension here.

4 We're talking about it being "barred".

5 What's the difference between "suspension"  
6 and "barred"?

7 MR. PYSER: Object to form.

8 BY MR. PAPANTONIO:

9 Q. What is the difference?

10 MR. PYSER: Object to form. Relying  
11 on hearsay from a newspaper article.

12 BY MR. PAPANTONIO:

13 Q. What's the difference?

14 MR. PYSER: Objection.

15 BY MR. PAPANTONIO:

16 Q. What is the difference between barred and  
17 being suspended?

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. What's the difference?

21 MR. PYSER: Object to form.

22 A. I don't know.

23 BY MR. PAPANTONIO:

24 Q. Well, it says -- this newspaper article

1       that's attached to a Cardinal e-mail says "A third  
2       Cardinal Health facility has been barred from  
3       distributing controlled substances in a federal  
4       investigation into the alleged diversion of  
5       pharmaceutical orders to illicit online drug  
6       sellers."

7                   Do you see that?

8                   MR. PYSER: Object to form.

9       BY MR. PAPANTONIO:

10       Q.    Do you know what "illicit" means?

11                   MR. PYSER: Object to form.

12       A.    Yes.

13       BY MR. PAPANTONIO:

14       Q.    What does the word illicit mean in your 28  
15       years of this business? What does that mean?

16       A.    Illegal.

17       Q.    Illegal, right.

18                   It says "The latest license suspension  
19       went into effect yesterday and affects Cardinal's  
20       New Jersey distribution center, Swedesboro, New  
21       Jersey distribution center, right?

22       A.    That's what it states.

23       Q.    Well, didn't you just tell the lawyer that  
24       none of distribution centers had ever been



1       suspended or disbarred? Did you tell us that?

2                       MR. PYSER: Objection. Form.

3       Objection. Form. Misstates testimony.

4       BY MR. PAPANTONIO:

5           Q. Did you tell, on direct examination, that

6       none of the distribution centers in the country

7       had been suspended or disbarred?

8                       MR. PYSER: Object to form.

9       Misstates testimony.

10       BY MR. PAPANTONIO:

11           Q. Yes or no?

12                       MR. PYSER: You know very well

13       that's not what he said. This is ridiculous.

14       BY MR. PAPANTONIO:

15           Q. Yes or no? Yes or no?

16           A. No.

17           Q. You did not say that?

18           A. No.

19           Q. Because you know that there were several

20       distribution centers that were suspended from

21       doing business, correct?

22                       MR. PYSER: Object to form.

23       BY MR. PAPANTONIO:

24           Q. Right?

1 A. You're twisting my words.

2 Q. Well, I don't want to twist your words.

3 You know, as we sit here, sir, that there were  
4 several distribution centers that were told by the  
5 DEA, you can't do business anymore because you're  
6 not complying with the rules, yes or no?

7 MR. PYSER: Object to form.

8 A. The question I was asked was whether or  
9 not, for example, the distribution center that  
10 serviced Ohio was ever suspended.

11 BY MR. PAPANTONIO:

12 Q. Oh, so I must have missed that. Okay. In  
13 fairness to you, if that was the question, good.

14 There was nothing in Ohio that was  
15 suspended, right, no distribution center in Ohio?

16 A. The distribution center that services Ohio  
17 was not suspended.

18 Q. But the rest of the story is that there  
19 were distribution centers all over the country  
20 that were suspended, yes or no?

21 MR. PYSER: Objection. Misstates  
22 testimony.

23 BY MR. PAPANTONIO:

24 Q. Yes or no?

1 MR. PYSER: Object to form.

2 Misstates evidence.

3 A. There were others.

4 BY MR. PAPANTONIO:

5 Q. There were others. Tell the jury how many

6 other Cardinal distribution centers you remember

7 that were told they can't do business because

8 they're not playing by the rules. How many?

9 MR. PYSER: Object to form. Object  
10 to form.

11 A. There were three.

12 BY MR. PAPANTONIO:

13 Q. Three. And it says "In the past two

14 weeks, Cardinal's facilities in Auburn,

15 Washington -- in Auburn, Washington and in

16 Lakeland, Florida also have been ordered by the

17 U.S. Drug Enforcement Administration to stop

18 distributing drugs such as narcotics until further

19 notice."

20 Do you see that?

21 MR. PYSER: Object to form.

22 A. Yes.

23 BY MR. PAPANTONIO:

24 Q. Did I read that right?

1 A. Yes.

2 Q. It says "After the Lakeland suspensions  
3 last week, a spokesman for the DEA said such moves  
4 on the agency's part are not very common."

5 Did you know that suspension of  
6 distribution centers was not very common?

7 MR. PYSER: Object to form.

8 A. That's what it states.

9 BY MR. PAPANTONIO:

10 Q. Well, would you consider suspension of a  
11 license for a drug distributor to be a common  
12 occurrence within the narcotics business?

13 MR. PYSER: Object to form.

14 A. It happens.

15 BY MR. PAPANTONIO:

16 Q. It happens. And it happened to you how  
17 many times?

18 MR. PYSER: Object to form.

19 BY MR. PAPANTONIO:

20 Q. How many times?

21 A. Three.

22 Q. It says "Cardinal plans to put one of  
23 several new controls in place this month.

24 Spokesman Jim Mazzola said he knew an automated

1 feature is being added to Cardinal's computer."

2 Sir, did you have computers back when you  
3 started with the company all the way back in 1988?

4 Did you -- did they give you a computer?

5 MR. PYSER: Object to form.

6 A. Are you asking about a laptop?

7 BY MR. PAPANTONIO:

8 Q. I don't care. Any kind of computer,  
9 laptop, fixed computer? Did you have any  
10 computers back in 1988?

11 MR. PYSER: Object to form.

12 A. I did not initially.

13 BY MR. PAPANTONIO:

14 Q. When's the first time you were given a  
15 computer there at Cardinal?

16 A. I don't recall.

17 Q. There were systems that were computerized,  
18 systems that took care of monitoring things like  
19 overabundance of -- oversale of thresholds,  
20 overuse of thresholds.

21 There were computer systems in place when?

22 Tell us when the first time a computer system was  
23 in place, as far as you know, monitoring  
24 thresholds rather than having pickers and checkers

1 and whatever you want to call them monitoring  
2 thresholds.

3 MR. PYSER: Object to form.

4 BY MR. PAPANTONIO:

5 Q. When's the first time that a computer  
6 actually came into Cardinal?

7 A. There were warehouse management systems  
8 when I started. I was answering with respect to a  
9 personal computer.

10 Q. Yeah, but there were computers. You had a  
11 -- you had every ability to put a computer system  
12 in to monitor these threshold issues rather than  
13 counting on pickers and checkers, didn't you?

14 MR. PYSER: Object to form.

15 BY MR. PAPANTONIO:

16 Q. You have a system like that now, don't  
17 you?

18 MR. PYSER: Object to form.

19 Misstates evidence.

20 A. We had a system.

21 BY MR. PAPANTONIO:

22 Q. Okay. And when did the -- when was the  
23 system first used?

24 A. The ingredient limit report was

1 implemented in early '90s.

2 Q. So you had a computer system to keep up  
3 with diversion. Is that your testimony?

4 A. We had the ingredient limit report that  
5 was approved by the agency.

6 Q. Well, let's see what this says right here.  
7 It says "In the past two weeks, Cardinal  
8 facilities in Auburn, Washington and Lakeland also  
9 have been ordered by the U.S. Drug Enforcement  
10 Administration to stop distributing drugs such as  
11 narcotics until further notice."

12 And then it says -- see the paragraph  
13 that says "Cardinal plans to put one of several  
14 new controls in place this month. Spokesman Jim  
15 Mazzola said" -- he said "A new automated feature  
16 is being added to Cardinal's computer system that  
17 will identify and file order activity that could  
18 be unusual."

19 Do you see that?

20 MR. PYSER: Object to form.

21 A. Yes.

22 BY MR. PAPANTONIO:

23 Q. Do you see that?

24 A. Yes.

1 Q. And what's the year here, 2007? Is that  
2 what we're talking about, 2007?

3 MR. PYSER: Object to form.

4 A. That's the date on the article.

5 BY MR. PAPANTONIO:

6 Q. And how long -- and you know -- and you  
7 had computers there long before 2007, right?

8 A. Yes.

9 Q. And there were automated systems that  
10 other companies used to follow exactly what we're  
11 talking about, which is suspicious orders. You  
12 know that, right?

13 MR. PYSER: Object to form.

14 A. We had a system in place prior to this.

15 BY MR. PAPANTONIO:

16 Q. Yes. And those -- and that's the system  
17 that you were fined \$34 million for and you  
18 were -- the New York -- the New York AG fined you,  
19 the DEA fined you, right? That's the system  
20 you're talking about, right?

21 MR. PYSER: Object to form.

22 BY MR. PAPANTONIO:

23 Q. Okay. And then it goes on. It says --  
24 look here.



1           It says, the next paragraph, "In a  
2       statement last week, Cardinal Chairman, Chief  
3       Executive Kerry Clark" -- chief executive, this is  
4       the person at the top of the line, said -- they  
5       called -- "called in laxness and control is  
6       unacceptable and vowed to work with the DEA to  
7       resolve this matter."

8           Read that. Why don't you read that? I  
9       think I chopped that up. Why don't you read that  
10      paragraph for me, okay?

11           MR. PYSER: Object to form.

12           A.    "In a statement last week, Cardinal  
13      Chairman and Chief Executive, R. Kerry Clark,  
14      called any laxness in controls unacceptable and  
15      vowed to work with the DEA to resolve this  
16      matter."

17      BY MR. PAPANTONIO:

18           Q.    This was during your watch, that CEO of  
19      the president says that the conduct is  
20      unacceptable. Your own CEO is saying that in  
21      2007, right?

22           MR. PYSER: Object to form.

23      Misstates evidence.

24      BY MR. PAPANTONIO:

1 Q. Does this misstate what I just said?

2 Let's look at it again. Read it again for the  
3 jury because I want to be sure that I got this  
4 right.

5 "In a statement last week" -- pick up from  
6 there.

7 MR. PYSER: Object to form.

8 A. "Cardinal Chairman and Chief Executive R.  
9 Kerry Clark called any laxness in controls  
10 unacceptable and vowed to work with the DEA to  
11 resolve this matter."

12 BY MR. PAPANTONIO:

13 Q. And this was when you were supervisor of  
14 the people who were supposed to be handling this  
15 system of avoiding diversion, correct?

16 MR. PYSER: Object to form.

17 BY MR. PAPANTONIO:

18 Q. Correct?

19 A. Correct.

20 Q. You were the guy at the top that -- did he  
21 come and tell you that personally that it was  
22 unacceptable?

23 MR. PYSER: Object to form.

24 A. He did not.

1 BY MR. PAPANTONIO:

2 Q. Well, he said it in this newspaper  
3 article, didn't he?

4 MR. PYSER: Object to form.  
5 Hearsay.

6 BY MR. PAPANTONIO:

7 Q. Right?

8 A. That's what it says.

9 Q. And it's connected to -- that document is  
10 connected to an e-mail that was sent around the  
11 company at Cardinal, correct?

12 MR. PYSER: Object to form.

13 BY MR. PAPANTONIO:

14 Q. Right? Am I right?

15 A. Correct.

16 Q. Now, sir, let me ask you. You talked  
17 about how Mr. -- you said Carl Wright told you  
18 everything -- knew everything you were doing was  
19 good and it was all working, right?

20 Is that what you just told the jury?

21 MR. PYSER: Object to form.

22 Misstates testimony.

23 BY MR. PAPANTONIO:

24 Q. Did you tell us that?

1           A.    He said we were doing the right things and  
2    heading in the right direction.

3           Q.    Yeah. Do you remember me showing you the  
4    affidavit from Mr. Wright?

5                   MR. PYSER: Object to form.

6    BY MR. PAPANTONIO:

7           Q.    Let me show --

8           A.    I don't know.

9                   MR. PAPANTONIO: Give me that  
10   affidavit for Mr. Wright, if you would, please.

11   BY MR. PAPANTONIO:

12          Q.    Okay. Do you remember me showing you the  
13   document on the MOU where Mr. Wright actually gave  
14   statements about the misconduct of Cardinal? Do  
15   you remember that at all?

16                  MR. PYSER: Objection.

17          A.    I don't think we --

18                  MR. PYSER: Hold on. Object to  
19   form.

20   BY MR. PAPANTONIO:

21          Q.    We didn't get to that.

22                  MR. PYSER: Go ahead and answer.  
23   Object to form.

24          A.    I don't remember seeing that.

1 BY MR. PAPANTONIO:

2 Q. You don't remember seeing that. Well, let  
3 me see if can find it.

4 This is what we went over today. Do you  
5 remember I spent all this time going over the  
6 document and there were actually affidavits that  
7 were attach to it?

8 MR. PAPANTONIO: Could somebody give  
9 me my document, please?

10 MS. MOORE: 4230.

11 BY MR. PAPANTONIO:

12 Q. 4230. Do you remember us doing that?

13 MR. PAPANTONIO: 4230. Would  
14 somebody please give me my document, 4230?

15 MR. PYSER: Object to form.

16 MR. PAPANTONIO: Thank you.

17 BY MR. PAPANTONIO:

18 Q. Now, you were talking about how Mr. Wright  
19 was -- Mr. Wright was talking about how you had  
20 done everything right.

21 MR. PAPANTONIO: This is not what I  
22 want. I want the MOU from 2012, and then this is  
23 the last question I have. Where is the MOU 4085?

24 BY MR. PAPANTONIO:

1 Q. This is the last question I have, okay. I  
2 know you've had a long day, but this is the last  
3 thing I want to ask you about because you talked  
4 about how Mr. Wright --

5 MR. PAPANTONIO: Can I have my  
6 document, please?

7 BY MR. PAPANTONIO:

8 Q. -- how Mr. Wright had told you what, that  
9 you were doing things right?

10 MR. PYSER: Object to form.

11 A. He said that we were doing the right  
12 things and heading in the right direction.

13 BY MR. PAPANTONIO:

14 Q. Well, do you know that Mr. Wright actually  
15 prepared an affidavit, a declaration affidavit, in  
16 2012 where he pointed out specifically about all  
17 the things that you had done wrong.

18 Did you know that?

19 A. Did not.

20 MR. PYSER: Object to form.

21 BY MR. PAPANTONIO:

22 Q. Let me show it to you because I want you  
23 to see that so you don't think I'm just making  
24 this up. Because according to you, Mr. Wright --

1 Kyle Wright correct?

2 A. Correct.

3 Q. Is that right?

4 A. Correct.

5 Q. Well, on Page 41 of this document -- here,  
6 let me get it for you. It's in the evidence.

7 MR. PAPANTONIO: No. 4. Give me No.  
8 4, if you would. We're short on time, so I'm  
9 going to have some help here.

10 BY MR. PAPANTONIO:

11 Q. The MOU -- nobody told you that Carl  
12 Wright was one of the investigators about the  
13 misconduct of your company, correct?

14 MR. PYSER: Object to form.  
15 Misstates evidence.

16 BY MR. PAPANTONIO:

17 Q. Is that right, nobody told you that Carl  
18 Wright, the person that you said told you you were  
19 doing everything right, that that was not a --

20 MR. PAPANTONIO: Oh, here it is  
21 right here. 4085, is that it?

22 BY MR. PAPANTONIO:

23 Q. Take a look at this.

24 MR. PYSER: Object to form.

1 BY MR. PAPANTONIO:

2 Q. Take a look at that and go to page 41. Go  
3 to .41.

4 Do you see where it says "Office Diversion  
5 Control Unit, Chief Kyle Wright"? Is that the  
6 same Mr. Wright you're talking about?

7 MR. PYSER: Object to form. And  
8 Counsel, I believe you're out of time.

9 BY MR. PAPANTONIO:

10 Q. Is that the same Mr. Wright you're talking  
11 about?

12 MR. PYSER: Object to form. The  
13 videographer just told me you're out of time.

14 BY MR. PAPANTONIO:

15 Q. Yes or no, is that the same Mr. Wright?

16 A. Yes.

17 Q. Okay. Well, the jury is going to read  
18 what Mr. Wright said about your company.

19 MR. PYSER: Object to form. Move to  
20 strike counsel's colloquy at the end.

21 MR. PAPANTONIO: Thank you.

22 THE VIDEOGRAPHER: The time is 7:18  
23 p.m. This deposition has --

24 MR. PYSER: One thing before we go



1 off the record. There was an exhibit earlier  
2 today. When we find the number for the court  
3 reporter -- I'm not sure. I believe it was either  
4 Exhibit 3 or 4 that is -- that was clawed back,  
5 that should be withheld from the record. It's a  
6 privileged document. Cardinal Health has clawed  
7 it back. It shouldn't have been used in this  
8 deposition in the first place.

9 THE VIDEOGRAPHER: The time is 7:18  
10 p.m. This deposition has concluded.

11 MR. PAPANTONIO: Keep it then.  
12 We'll put it under seal.

13 MR. PYSER: The exhibit being clawed  
14 back and being withheld from the record is Exhibit  
15 9, which is Bates number CAH\_MDL2804\_01522227.

16

17

18 (Deposition concluded at 7:19 p.m.)

19

20

21

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23

24

CERTIFICATION

I, DARLENE M. COPPOLA, a Notary Public, do hereby certify that STEVE REARDON, after having satisfactorily identifying himself, came before me on the 30th day of November, 2018 in Boston, Massachusetts, and was by me duly sworn to testify to the truth and nothing but the truth as to his knowledge touching and concerning the matters in controversy in this cause; that he was thereupon examined upon his oath and said examination reduced to writing by me; and that the statement is a true record of the testimony given by the witness, to the best of my knowledge and ability.

I further certify that I am not a relative or employee of counsel/attorney for any of the parties, nor a relative or employee of such parties, nor am I financially interested in the outcome of the action.

WITNESS MY HAND THIS 4th day of December, 2018.

DARLENE M. COPPOLA

My commission expires:

NOTARY PUBLIC

November 11, 2022

REGISTERED MERIT REPORTER

CERTIFIED REALTIME REPORTER

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF OHIO  
3                   EASTERN DIVISION

4  
5  
6           \*\*\*\*\*

7           IN RE:  
8           NATIONAL PRESCRIPTION OPIATE  
          LITIGATION

9  
          This document relates to:

10  
          All cases

11  
          \*\*\*\*\*

12  
13           I, STEVE REARDON, say that I have read the foregoing  
14           deposition and hereby declare under penalty of perjury the  
15           foregoing is true and correct:

16           (as prepared)   (as corrected on errata.)

17           Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, at  
18           \_\_\_\_\_, \_\_\_\_\_.

19  
20  
21  
22           \_\_\_\_\_

23                   STEVE REARDON

24

1 CORRECTION PAGE

2 DEPONENT: STEVE REARDON

3 DATE TAKEN: NOVEMBER 30, 2018

4 CASE: NATIONAL PRESCRIPTION OPIATE LITIGATION

5 \*\*\*\*\*

6 PAGE / LINE / SHOULD READ/REASON

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